

# Half-year 2025 results

Brooks Macdonald

*27 February 2025*

**BM** BROOKS  
MACDONALD



**BM**

HY25

# Results and Our Strategy

*Andrea Montague, Chief Executive Officer*

# Significant Progress: Setting the Business up for Success

- Re- shaped the Group to be a UK focussed Wealth Manager, with strong capability in Financial Planning and Advisor Distribution
- Industry-leading Executive team
- Depth and breadth of our offering to meet client needs
- Delivering on our strategic priorities

# HY25 Financial Results

*Katherine Jones, Chief Financial Officer*

# HY25 financial results

Solid results reflecting cost discipline to deliver a strong underlying profit margin

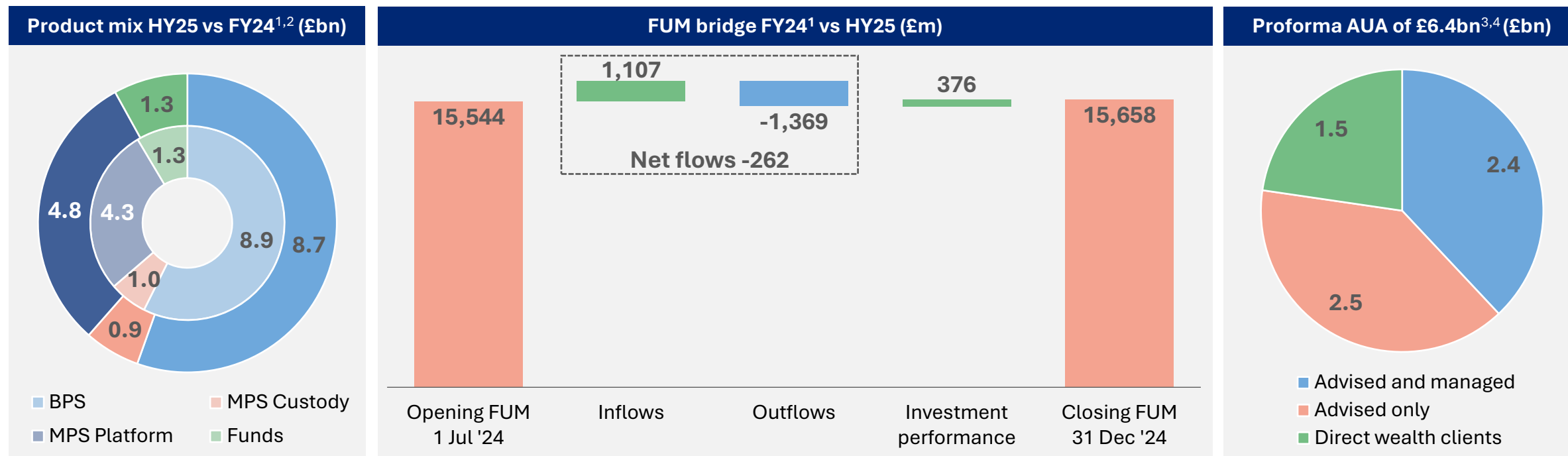
- Closing FUM up 4% year-on-year, supported by investment performance and strong net flows in MPS Platform
- Revenue reduction primarily driven by lower interest income due to rate cuts and proportion paid to clients in line with year end guidance
- Underlying costs improved due to rigorous cost control
- Strong underlying profit margin
- Progressive dividend policy maintained

## Summary continuing operations financial performance

	HY24 <sup>1</sup>	HY25	Variance
Closing FUM (£bn)	15.1	<b>15.7</b>	4.0%
Revenue (£m)	53.3	<b>51.9</b>	-2.6%
Underlying costs (£m)	-37.5	<b>-36.4</b>	-2.9%
Underlying PBT (£m)	15.8	<b>15.5</b>	-1.9%
Underlying PBT margin (%)	29.6%	<b>29.9%</b>	0.3ppts
Interim dividend (p)	29.0	<b>30.0</b>	3.4%

# FUM and AUA overview

## Strong MPS Platform net flows



- Strong gross inflows of £1.1bn, outweighed by elevated gross outflows of £1.4bn
- Investment performance of £0.4bn more than offset the impact of net outflows, resulting in FUM of £15.7bn at HY25
- H1 MPS Platform net flows equivalent to annualised growth of 13%
- Proforma AUA increased by c.75% to £6.4bn, including £1.6bn from LIFT

<sup>1</sup> Prior period has been restated to separate out the results of discontinued operations (BMI and DCF), to be consistent with the presentation in the current period. <sup>2</sup> Inner circle represents FY24. <sup>3</sup> Subject to rounding. <sup>4</sup> Includes LIFT which completed on 31 January 2025

# Revenue performance

## Increase in financial planning income offset by lower interest income

- Fee income in line with PY reflecting effects of product mix changes
- Financial planning income up 24%, reflecting
  - Underlying business growth
  - The benefit of CST and Lucas Fettes acquisitions, which contributed £0.5m in HY25
- Interest income down £2.5m, primarily driven by interest rate cuts and proportion paid to clients in line with year end guidance
  - Continue to expect interest income of £7-8m for FY25
- Including LIFT, illustrative proforma annualised income from acquisitions of around £17m

### Revenue analysis (£m)<sup>1,2</sup>

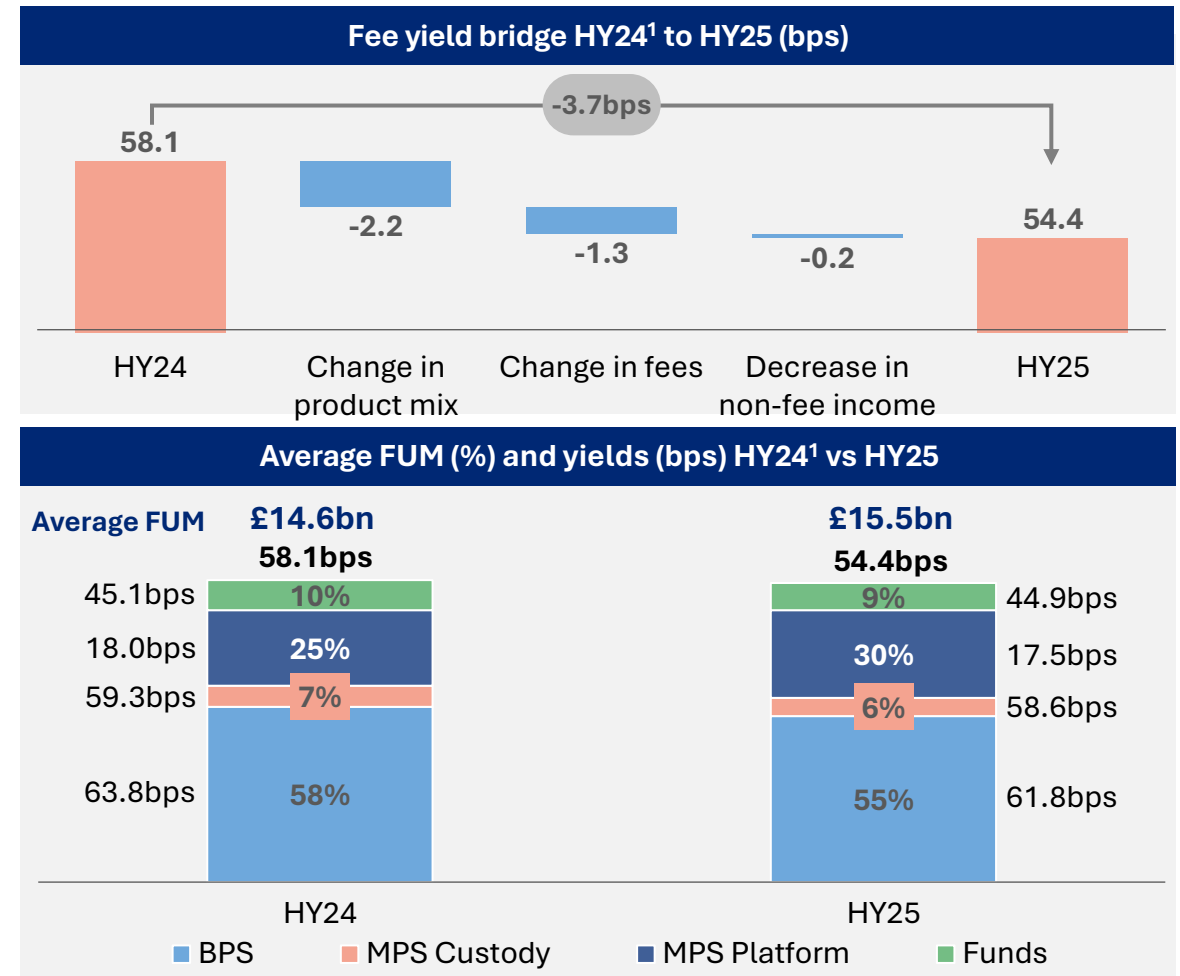
	HY24 <sup>3</sup>	HY25	Variance
Fee income	37.0	37.1	0.3%
Transactional & FX income	5.9	5.9	0.0%
Financial planning income	4.1	5.1	24.4%
Interest income	6.3	3.8	-39.7%
<b>Revenue</b>	<b>53.3</b>	<b>51.9</b>	<b>-2.6%</b>

<sup>1</sup> Includes revenue generated from CST and Lucas Fettes of £0.5m. <sup>2</sup> Subject to rounding. <sup>3</sup> Prior period has been restated to separate out the results of discontinued operations (BMI and DCF), to be consistent with the presentation in the current period.

# Revenue yield trends

Yield compression primarily reflects change in product mix

- Increase in MPS Platform as a proportion of total FUM is the primary driver of overall reduction in yield
- By product
  - BPS yield was 2bps lower, reflecting the changing mix on new business and products, including good flows into the relatively lower margin Gilts product
  - Yield on MPS Platform, MPS Custody and Funds remained broadly stable

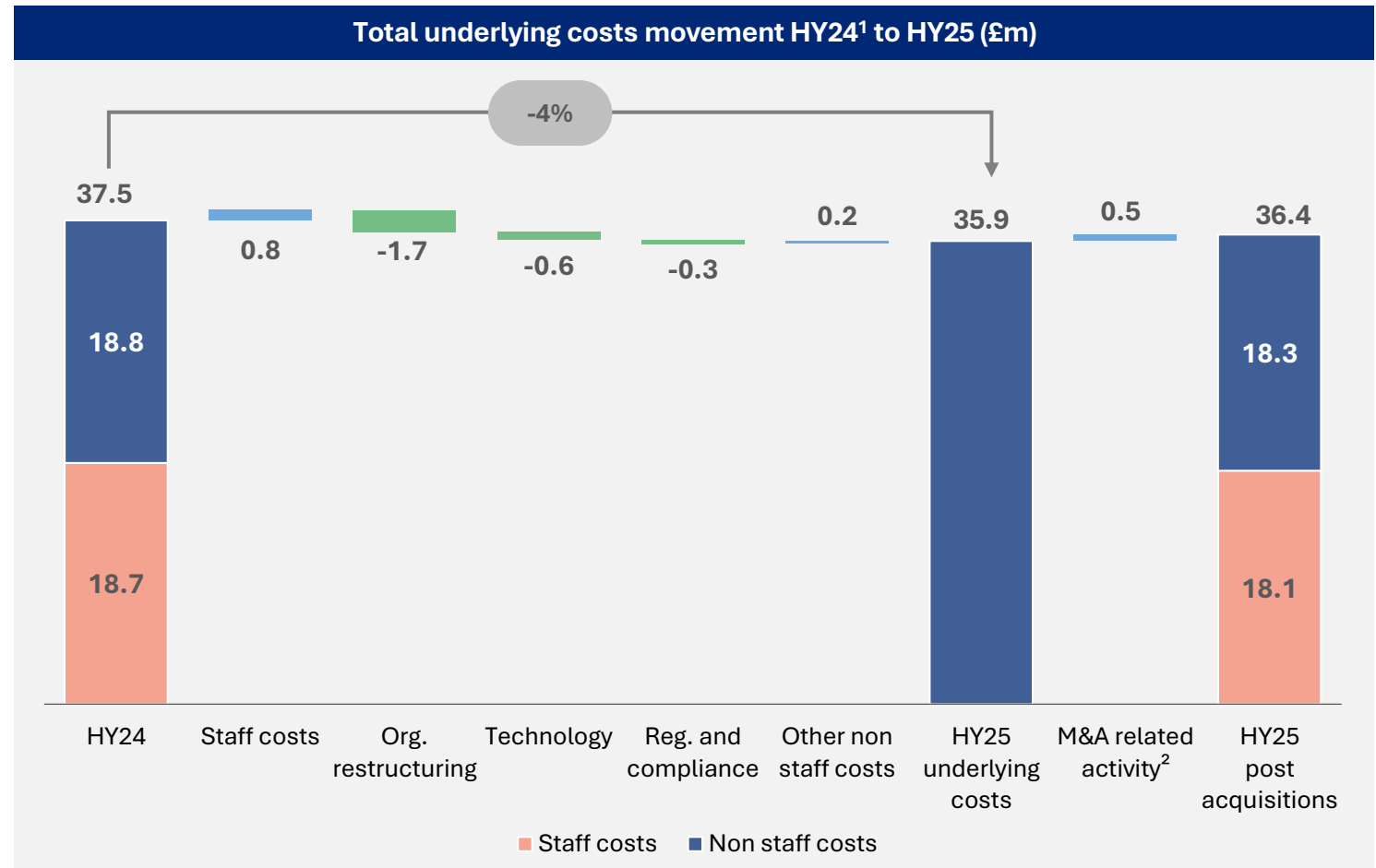




# Underlying cost performance

Ongoing cost discipline reduced costs year on year

- Strong underlying cost performance before acquisitions with costs down 4% year on year
- HY25 costs include £0.5m of costs from CST and Lucas Fettes following the completion of the acquisitions
- Continued focus on cost discipline including savings in FY26 to mitigate stranded costs of c.£4m p.a. post BMI disposal
- Medium term guidance: BAU cost growth <5% p.a.
- Including LIFT, illustrative proforma annualised costs from acquisitions of around £14m

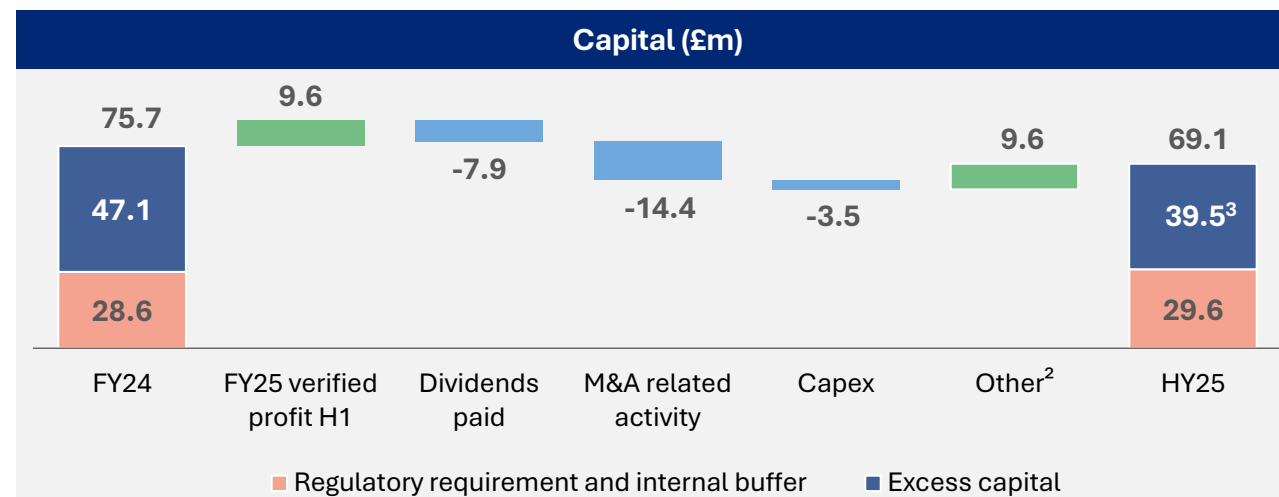
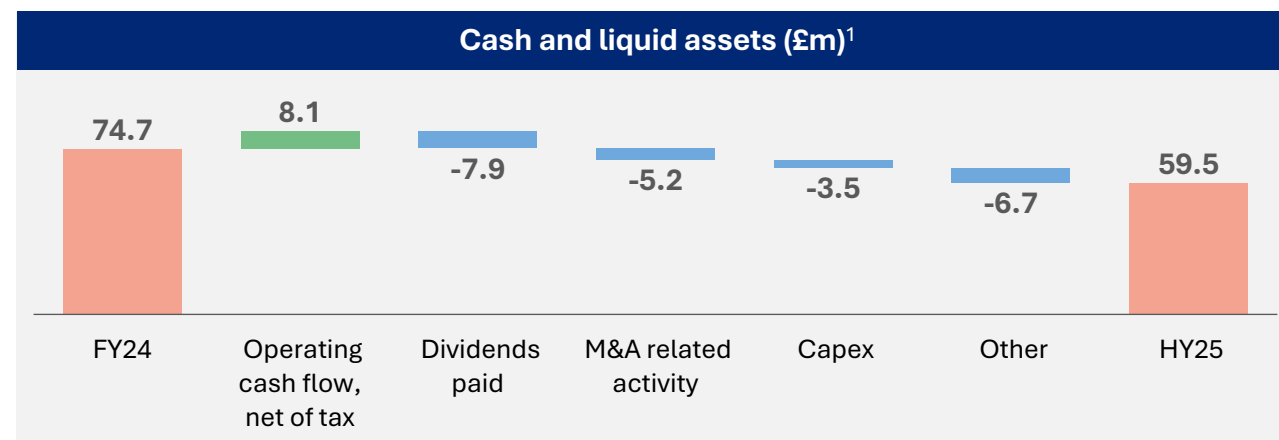


<sup>1</sup> Prior period has been restated to separate out the results of discontinued operations (BMI and DCF), to be consistent with the presentation in the current period.

<sup>2</sup> Underlying costs incurred from recent acquisitions CST and Lucas Fettes.

# Capital and cash position

Strong balance sheet and robust cash and capital positions provide financial flexibility



- £59.5m of cash and liquid assets
- £39.5m capital in excess of regulatory requirement and internal buffer
- Interim dividend of 30p per share up 3.4% on HY24, continuing 19 years of progressive dividend policy
- In H2, key movements expected to include
  - Interim dividend
  - Acquisition cost of LIFT of -£30m
  - Sale proceeds of BMI £28m
  - Share buyback of up to -£10m
  - Capex of around -£10m in total for FY25
- Financial flexibility and disciplined approach to capital allocation supports progressive dividend policy, organic investment to reignite growth and attractive M&A

<sup>1</sup> Group liquid assets are inclusive of UK government gilts and money market funds which are classified as a liquid resource in nature due to their ability to be easily translated into cash.

<sup>2</sup> Primarily includes amortisation of intangibles, share based payments and deferred tax.

<sup>3</sup> HY25 excess capital stated before the £4.7m estimated cost of our interim dividend declared today.

# In summary

## Solid financial performance

### HY25 summary

- ✓ MPS Platform net flow momentum and investment performance support FUM growth
- ✓ Revenue reduction from lower interest income offset by rigorous cost control
- ✓ Strong underlying profit margin
- ✓ Healthy cash and capital positions
- ✓ Progressive dividend policy maintained



### Outlook

- The Group anticipates its full year performance will be in line with its expectations
- Return to positive net flows later in the year
- Continued focus on cost discipline
- Robust balance sheet provides financial flexibility
- Medium term targets
  - Annualised net inflows of +5%
  - BAU cost growth of <5%

# Our Strategy

*Realising Ambitions. Securing Futures.*

*We are Brooks Macdonald*

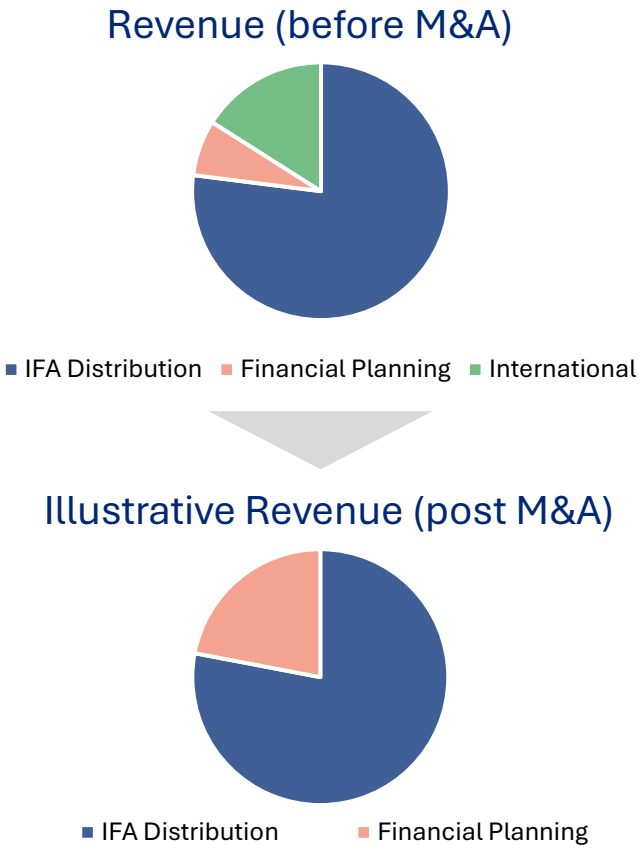
*Andrea Montague, Chief Executive Officer*

# Brooks Macdonald changing at pace

In the first 100 days significant progress executing our strategy

## Refocusing the Group

- ✓ Completed 3 acquisitions
- ✓ Disposed of International
- ✓ Move from Aim to Main market initiated
- ✓ £10m share buyback initiated



## Operational delivery

- ✓ New Executive team appointed
- ✓ Reinvigorated sales and distribution
- ✓ Revitalised marketing and communications
- ✓ Improving our clients' experience

*Strategy, execution, momentum*

# Three strategic priorities to Reignite Growth



**Delivering Excellent Client Service**

Flows & Revenues



**Broadening & Deepening Client Reach**



**Driving Scale & Efficiencies**

Efficiency

Supplemented by targeted M&A against strict criteria

# Three strategic priorities to Reignite Growth

## 1 Delivering Excellent Client Service

- **New sales leadership** – enhancing our Distribution capability with experienced new hires
- **Delivering more accessible information** – enhancements made to our InvestBM online client portal
- **Working with partners to improve service delivery** – with new functionality being delivered enhancing the digital client experience
- **Increasingly digital** – including the production of digital factsheets for clients
- **Award winning** – Gold award for Discretionary Fund Management Service 2025



Client retention rate

DFM of choice

defaqto  
**GOLD**  
DFM Service 2025  
EXPERT RATED



# Three strategic priorities to Reignite Growth

## 2

### Broadening & Deepening Client Reach

- **Acquisitions** – c.3,000 new clients, and integration on track, now c.23,000 clients
- **Extending the breadth of propositions** – Gilts, Money Market funds, expanding our Brooks Retirement Solution proposition
- **Better customer insight** – to improve retention and cross sell across our product range
- **Refreshed communications and marketing** – building better brand awareness and prominence
- **Reinvigorated engagement with Advisers** – c.250 IFAs attended Jan/Feb Adviser roadshows building new and enhancing existing relationships for future growth



No. of Advisers and Clients

% of Advisers with >1 product





# Three strategic priorities to Reignite Growth

## 3

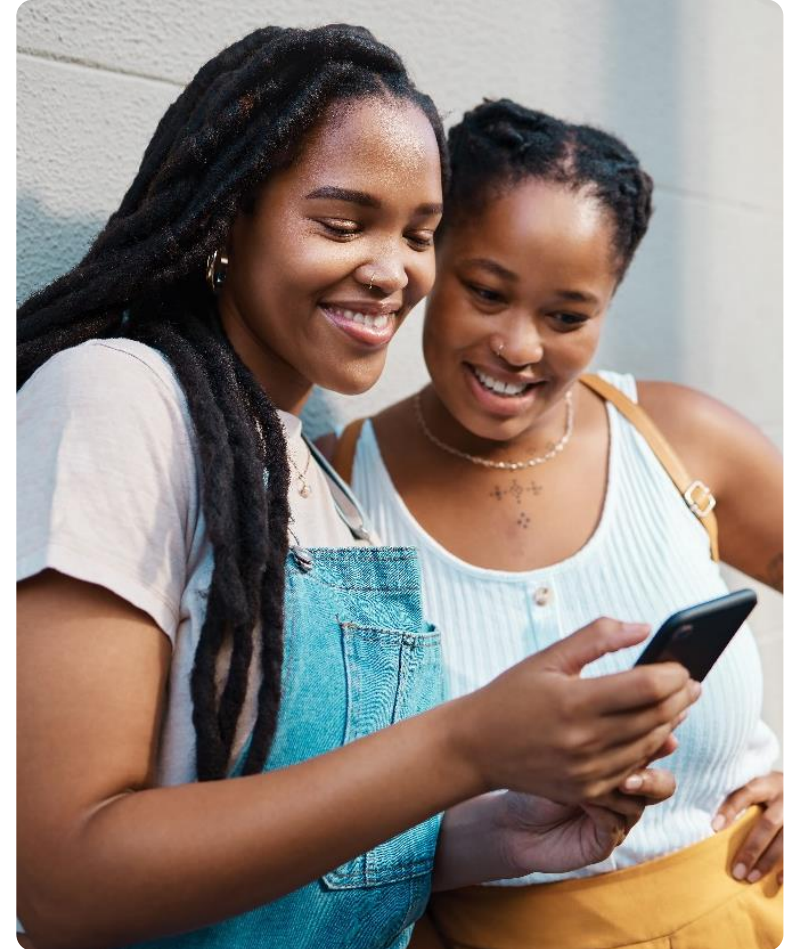
### Driving Scale & Efficiencies

- **Simplifying and automating processes** – removing duplication and inefficiency
- **Continuing our journey towards a paperless organisation** – including creation of downloadable tax packs
- **Centralising common activities** - to drive best practice and realise synergies from acquired firms across the Group
- **Reviewing supplier spend and streamlining activities** - to move to a smaller set of more strategic partners
- **Delivering in line with committed cost target** – no more than 5% growth p.a.

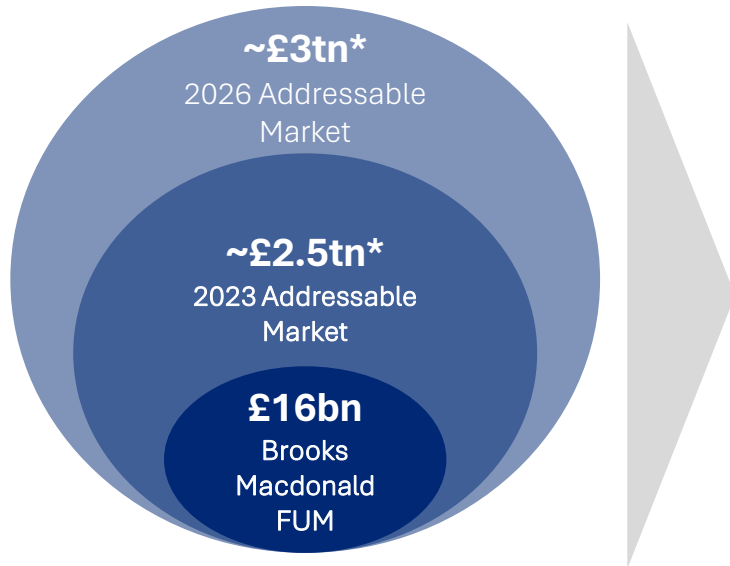


Cost : income management

FUM per Investment manager/  
AUA per Financial planner



# Why Brooks Macdonald?



- Strength of the Executive team
- Clarity of strategy, balance sheet strength with disciplined execution
- Depth and breadth of our offering across the client lifecycle
- Leading investment performance
- Delivering award winning client service



# Reigniting Growth



Refocusing the Group



Improving our clients' experience



Industry-leading executive team to drive growth

*...we're gathering momentum and are on track to meet our medium-term financial targets*

*Strategy, execution, momentum*



# Appendix

# Guidance and medium-term targets

Confidence in delivering our strategy – the Group anticipates its full year performance will be in line with its expectations

## Flows and P&L outlook

- Return to positive net flows later in the year
- FY25 interest income of £7-8m, reflecting rate cuts
- Including LIFT, illustrative proforma annualised income from acquisitions of around £17m
- Including LIFT, illustrative proforma annualised costs from acquisitions of around £14m
- Continued focus on cost discipline including
  - £1m of synergies expected
  - Savings in FY26 to mitigate stranded costs of c.£4m p.a. post BMI disposal

## Cash and capital outlook

Key H2'25 movements expected to include:

- Final dividend
- Acquisition cost of LIFT -£30m
- Sale proceeds of BMI £28m
- Share buyback of up to -£10m
- For FY25, total capex expected to be c.-£10m

## Medium term targets

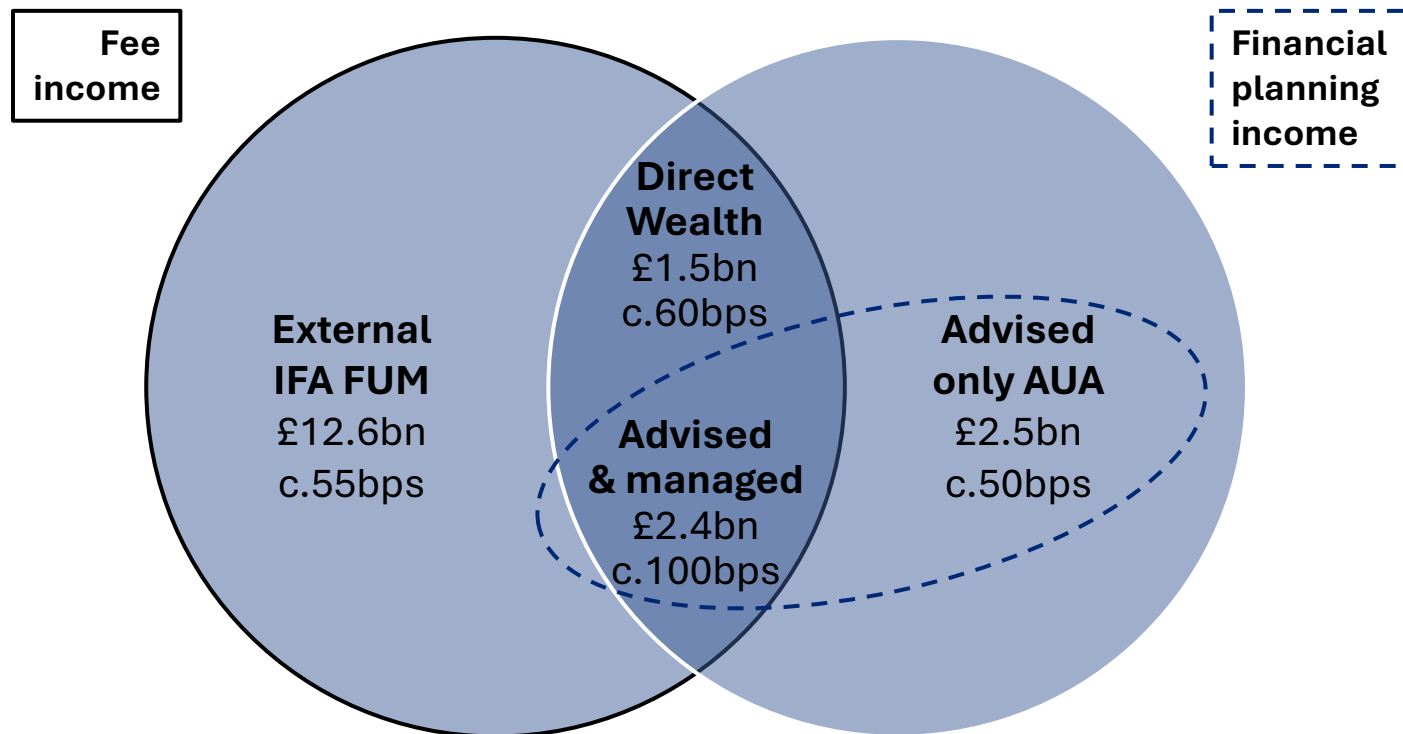
**Net flows:** 5% annualised net inflows

**BAU cost growth:** <5%

# Illustrative FUM / AUA and yields

Significant opportunity to broaden existing client relationships and add new clients

**HY25 FUM of £15.7bn<sup>1</sup>**      **HY25 proforma AUA of £6.4bn<sup>2</sup>**



- Acquisitions deliver scale financial planning business
- Further opportunities exist to broaden relationships with existing clients and add new clients through the value chain
- £2.5bn of “Advised only AUA” has potential to transition to “Advised and Managed” over time, depending on suitability
- £1.5bn of “Direct Wealth” assets are not currently receiving Financial Planning advice from BM, and may benefit from advice on their broader wealth arrangements

<sup>1</sup> HY25 FUM balance of £15.7bn comprises External IFA FUM, Direct Wealth and Advised and Managed less the portion relating to LIFT Advised and Managed FUM (£0.8bn).

<sup>2</sup> Proforma AUA includes LIFT, which completed 31 January 2025.

<sup>3</sup> Yields are approximate and illustrative.

# Illustrative scale of Group post acquisitions

Refocussed Group replaces earnings from International business with earnings from acquired businesses

£m	FY24 reported	Discontinued operations (BMI and DCF)	FY24 restated	Illustrative acquired businesses	Illustrative scale of post acquisition Group
Revenue	128	(21)	107	17	c.120
Costs	94	(18)	76	14	c.90
Underlying profit	34	(4)	30	3	c.30

- Financial information presented for illustrative purposes only.
- It is not representative of any specific financial reporting period and not intended to be any indication financial performance in any reporting period.

# HY25 financial results

Total, discontinued & continuing operations

	HY24			FY24			HY25		
£m	Total	Discontinued ops <sup>1</sup>	Continuing ops	Total	Discontinued ops <sup>1</sup>	Continuing ops	Total	Discontinued ops <sup>1</sup>	Continuing ops <sup>2</sup>
Closing FUM	17,579	2,521	15,058	18,028	2,484	15,544	<b>17,932</b>	<b>2,274</b>	<b>15,658</b>
Revenue	63.6	10.3	53.3	128.3	21.6	106.7	<b>61.6</b>	<b>9.7</b>	<b>51.9</b>
Underlying costs	-46.5	-9.0	-37.5	-94.2	-17.8	-76.4	<b>-44.4</b>	<b>-8.0</b>	<b>-36.4</b>
Underlying PBT	17.1	1.3	15.8	34.1	3.8	30.3	<b>17.2</b>	<b>1.7</b>	<b>15.5</b>

<sup>1</sup> Discontinued operations includes DCF and BMI.

<sup>2</sup> In the period from acquisition to 31 December 2024, CST and Lucas Fettes generated revenue of £549,000 and statutory profit before tax of £61,000.



# Statutory result

Statutory profit before tax from continuing operations was £12.6m, up 7.7% on HY24

Group financial results summary (£m)	HY24 <sup>1</sup>	HY25
<b>Underlying profit before tax</b>	<b>15.8</b>	<b>15.5</b>
Acquisition and integration related items	(0.4)	(2.5)
Amortisation of client relationships	(1.7)	(1.7)
Organisational restructure	(2.1)	(1.1)
AIM to Main related costs	-	(0.5)
Other non-operating income	0.1	2.9
<b>Total underlying adjustments</b>	<b>(4.1)</b>	<b>(2.9)</b>
<b>Statutory profit before tax from continuing operations</b>	<b>11.7</b>	<b>12.6</b>
Taxation	(2.8)	(3.4)
<b>Statutory profit after tax from continuing operations</b>	<b>8.9</b>	<b>9.2</b>
Result from discontinued operations	(12.3)	0.4
<b>Statutory (loss)/profit after tax</b>	<b>(3.4)</b>	<b>9.6</b>

Balance sheet (£m)	FY24	HY25
Total Net Assets <sup>2</sup>	152.3	156.6

## Acquisition and integration-related costs (£2.5 million charge)

- These represent costs incurred in relation to the Group's recent acquisitions, including legal fees. The prior period charge relates to the share-based payment integration charge for share options awarded to onboarded employees as part of acquisitions in prior periods.

## Amortisation of client relationships (£1.7 million charge)

- These intangible assets are created in the course of acquiring funds under management and are amortised over their useful life, which have been assessed to range between 6 and 20 years.

## Organisational restructure (£1.1 million charge)

- As part of the Group's strategy to ensure it operates in an efficient manner and delivers the best service to clients, further opportunities were identified to streamline and remove duplication from core processes, resulting in redundancy costs.

## AIM to Main related costs (£0.5 million charge)

- As announced in January 2025, the Group intends to move from AIM to the London Stock Exchange's Main Market, which the Board believes will further enhance the Group's corporate profile, as well as extending the opportunity to own its ordinary shares to a broader group of investors. Legal and reporting accountants related costs have been incurred in relation to this initiative.

## Other non-operating income (£2.9 million credit)

- This primarily relates to a refund from HMRC in respect of VAT arising on the Group's AIM Portfolio Services as it was confirmed this was exempt from VAT, covering the period from 1 October 2019 to 30 September 2024.

<sup>1</sup> Prior period has been restated to separate out the results of discontinued operations (BMI and DCF), to be consistent with the presentation in the current period.

<sup>2</sup> Total net assets take into account the respective period's profits as these are deemed to be verified at the date of publication of the results.

# Analysis of revenue and yield

Yield compression primarily reflects change in product mix

	Revenue			Average FUM			Yields			Revenue	Average FUM	Yields
	HY25	HY24 <sup>1</sup>	Change	HY25	HY24 <sup>1</sup>	Change	HY25	HY24 <sup>1</sup>	Change	FY24 <sup>1</sup>	FY24 <sup>1</sup>	FY24 <sup>1</sup>
	£m	£m	£	£m	£m	%	bps	bps	bps	£m	£m	bps
BPS fees	26.6	27.1	(0.5)	8,546	8,446	1.2	61.8	63.8	(2.0)	54.4	8,579	63.5
BPS transactional and FX income	5.9	5.9	–				13.6	13.9	(0.3)	12.2		14.2
<b>Total BPS</b>	<b>32.5</b>	<b>33.0</b>	<b>(0.5)</b>	<b>8,546</b>	<b>8,446</b>	<b>1.2</b>	<b>75.4</b>	<b>77.7</b>	<b>(2.3)</b>	<b>66.6</b>	<b>8,579</b>	<b>77.7</b>
MPS Custody	2.8	2.9	(0.1)	952	963	(1.1)	58.6	59.3	(0.7)	5.8	972	59.2
MPS Platform	4.0	3.3	0.7	4,578	3,663	25.0	17.5	18.0	(0.5)	7.1	3,892	18.2
<b>Total MPS</b>	<b>6.8</b>	<b>6.2</b>	<b>0.6</b>	<b>5,530</b>	<b>4,626</b>	<b>19.5</b>	<b>24.4</b>	<b>26.6</b>	<b>(2.2)</b>	<b>12.9</b>	<b>4,864</b>	<b>26.4</b>
Funds	3.3	3.4	(0.1)	1,467	1,487	(1.3)	44.9	45.1	(0.2)	6.8	1,489	45.5
<b>Total UK (excl int. income)</b>	<b>42.6</b>	<b>42.6</b>	<b>-</b>	<b>15,543</b>	<b>14,560</b>	<b>6.8</b>	<b>54.4</b>	<b>58.1</b>	<b>(3.7)</b>	<b>86.3</b>	<b>14,932</b>	<b>57.8</b>
Interest income – BPS	3.4	5.6	(2.2)				8.0	13.3	(5.3)	10.2		11.9
Interest income – MPS	0.4	0.7	(0.3)				8.0	13.3	(5.3)	1.2		11.9
<b>Interest income total</b>	<b>3.8</b>	<b>6.3</b>	<b>(2.5)</b>				<b>8.0</b>	<b>13.3</b>	<b>(5.3)</b>	<b>11.4</b>		<b>11.9</b>
<b>Total FUM-related revenue</b>	<b>46.4</b>	<b>48.9</b>	<b>(2.5)</b>	<b>15,543</b>	<b>14,560</b>	<b>6.8</b>	<b>59.2</b>	<b>66.7</b>	<b>(7.5)</b>	<b>97.7</b>	<b>14,932</b>	<b>65.4</b>
Financial planning	5.1	4.1	1.0							8.2		
Other income	0.4	0.3	0.1							0.8		
<b>Total non-FUM-related revenue</b>	<b>5.5</b>	<b>4.4</b>	<b>1.1</b>							<b>9.0</b>		
<b>Total revenue from continuing operations</b>	<b>51.9</b>	<b>53.3</b>	<b>(1.4)</b>							<b>106.7</b>		

# Highly attractive growth market

Opportunity for Brooks Macdonald to realise ambitions and secure futures



## Ageing UK population

By 2041 **23%** of the population will be **over 65**, compared to 18% now



## Advice gap

**12.4m** people who could benefit from advice don't currently get it



## Retirement savings gap

Average pension pot in the UK is between **£60,000 to £70,000**



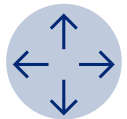
## Wealth transferring to women

Women hold **32%** of the world's wealth and this is increasing fast



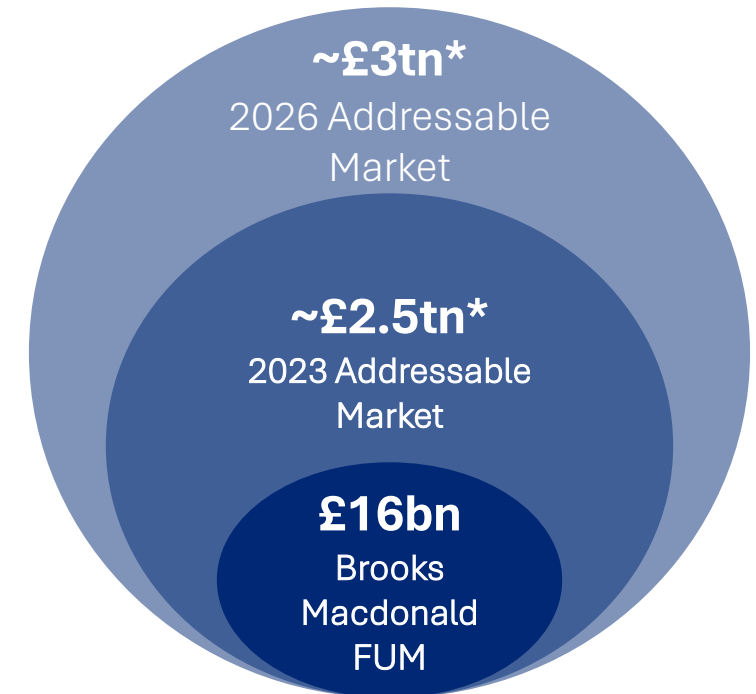
## Inter-generational wealth transfer

2050 we expect **£7 trillion** to pass between generations in the UK alone



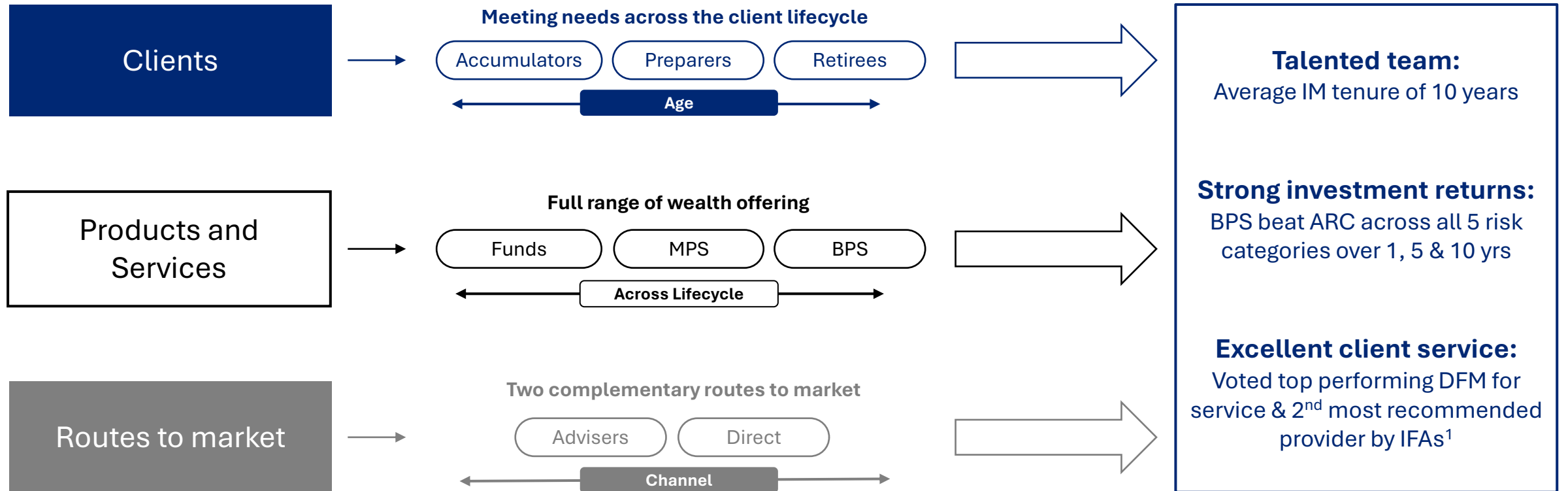
## Advisers are outsourcing more

Increasing use of discretionary management services in response to regulatory change and drive for efficiency and quality of service



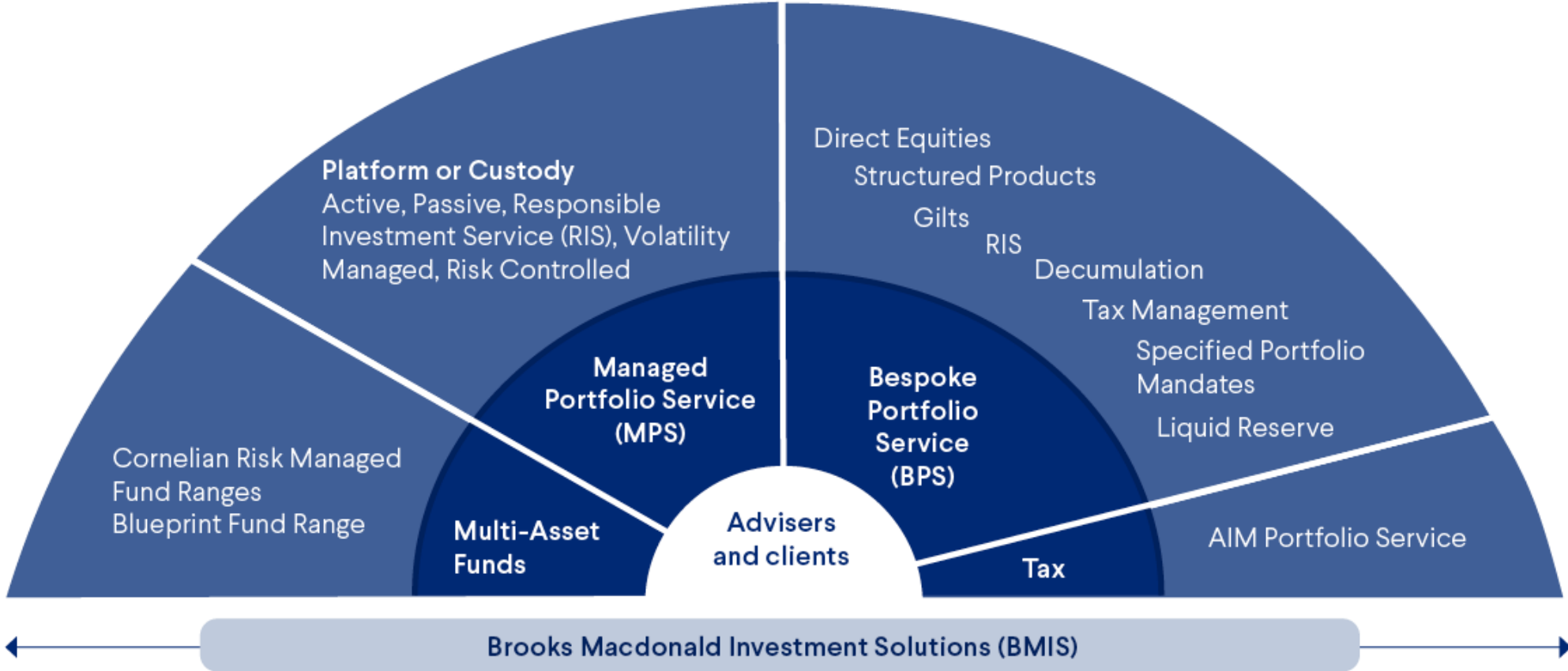
# Growing need for services across the client lifecycle

Our Purpose is clear – realising ambitions and securing futures



# Depth and breadth

Compelling solutions built from demonstrable expertise



# Comparison of investment performance to industry indices

Ahead of industry for all risk profiles over both 1 and 10 years

Risk Profiles	Cumulative performance (%) <sup>1,2</sup>			
	1 year to 31.12.24	3 years to 31.12.24	5 years to 31.12.24	10 years to 31.12.24
<b>BM Low Risk</b>	4.60	0.79	7.96	30.30
ARC Sterling Cautious PCI	4.57	0.18	8.79	26.46
Relative performance	0.03	0.62	-0.84	3.84
<b>BM Low-to-Medium Risk</b>	6.68	2.42	15.13	47.78
ARC Sterling Balanced Asset PCI	6.41	2.28	14.84	43.78
Relative performance	0.27	0.14	0.28	4.00
<b>BM Medium Risk</b>	8.78	3.93	22.42	66.12
ARC Sterling Steady Growth PCI	7.89	3.83	19.68	62.09
Relative performance	0.88	0.10	2.74	4.03
<b>BM Medium-to-High Risk</b>	10.72	3.39	28.22	86.33
ARC Sterling Equity Risk PCI	9.32	4.90	24.67	77.92
Relative performance	1.39	-1.52	3.55	8.41
<b>BM High Risk</b>	11.53	2.20	29.81	97.53
ARC Sterling Equity Risk PCI	9.32	4.90	24.67	77.92
Relative performance	2.21	-2.70	5.13	19.60

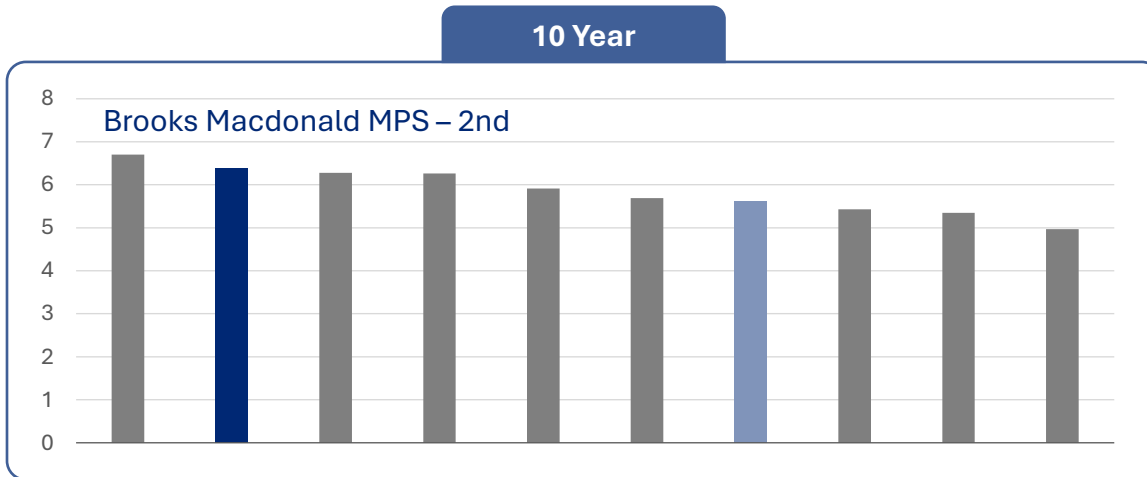
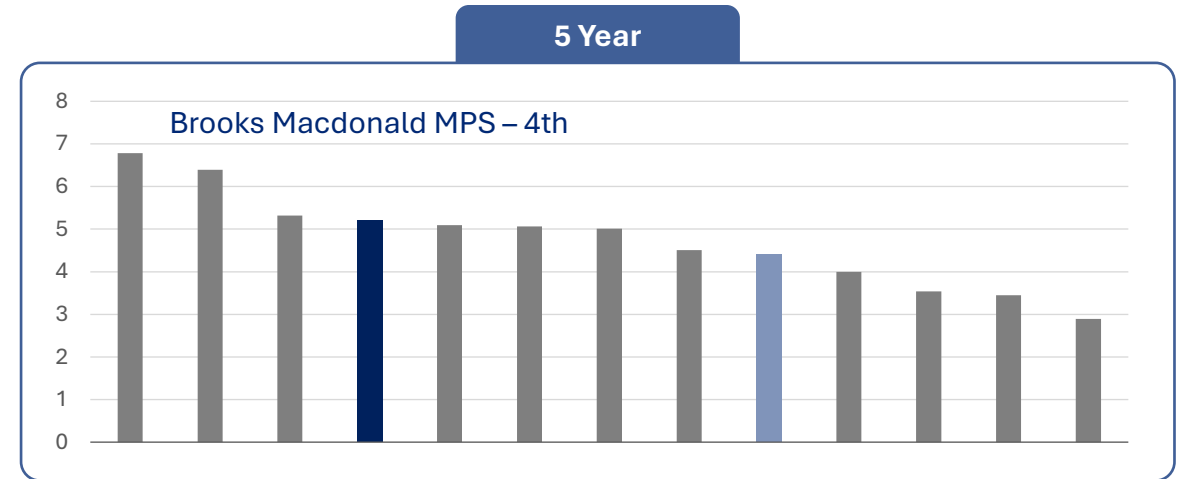
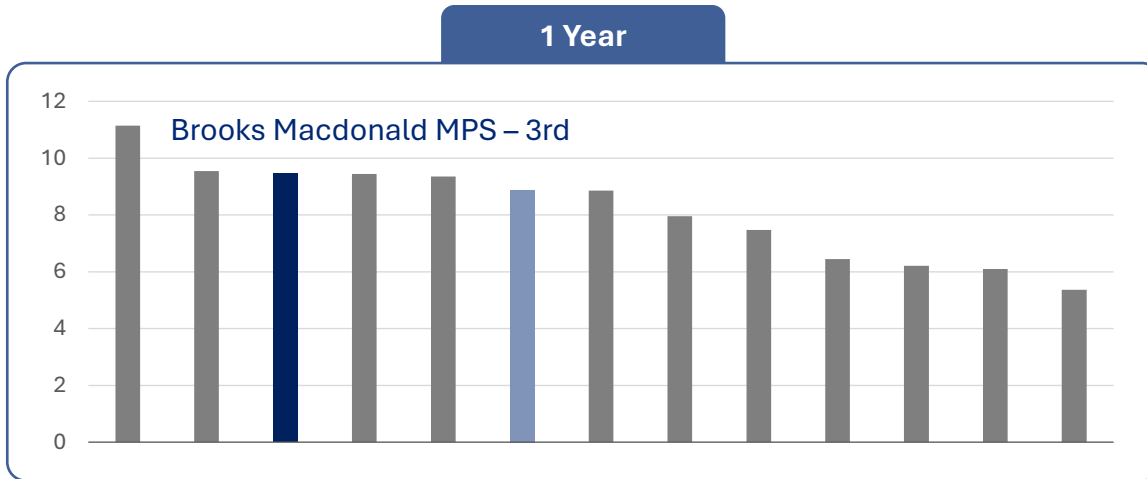
- The ARC (Asset Risk Consultants) indices combine actual performance from over 100 wealth managers and many thousands of actual client portfolios to give a realistic view of industry returns
- Our risk profiles are aligned to ARCs and compare our average BPS performance against the relevant ARC index
- At HY25:
  - We are ahead on all risk profiles for a 1-year and a 10-year horizon
  - We are ahead on 17 of the 20 possible comparison points for the 5 different risk profiles and 4 different time horizons, underlining our consistent industry outperformance

<sup>1</sup> Subject to rounding.

<sup>2</sup> All performance figures are net of underlying fund charges and Brooks Macdonald management fees but gross of professional adviser charges. Deduction of these fees will impact on the performance shown.

# Comparison of investment performance vs peers

Consistent performance above benchmark over multiple time periods



■ Brooks Macdonald MPS Medium Risk ■ Benchmark

- MPS Medium Risk investment performance has been consistently top 4 vs peers
- Benchmark outperformance has been demonstrated over 1,5 and 10 year period
- Our long term 10-year performance ranks second among our peers

# 2025 Defaqto Ratings



**5 Diamond Rating for Risk Targeted Fund Family**

SVS Cornelian  
Risk Managed Funds  
SVS Cornelian  
Risk Managed Passive Funds



**5 Diamond Rating for DFM MPS (Platform) Portfolio Family**

Managed Portfolio Service (Platform)  
Managed Portfolio Service Passive (Platform)



**4 Diamond Rating for DFM MPS (Direct) Portfolio Family**

Managed Portfolio Service (Direct)  
Managed Portfolio Service Passive (Direct)  
MPS Responsible Investment Advance (Direct & Platform)



**4 Diamond Risk Focused Fund Family**

SVS Blueprint Brooks Macdonald Defensive Income Fund  
SVS Blueprint Brooks Macdonald Cautious Growth Fund  
SVS Blueprint Brooks Macdonald Balanced Fund  
SVS Blueprint Brooks Macdonald Strategic Growth Fund



**5 Stars for Solutions**

Bespoke Portfolio Service  
Managed Portfolio Service  
Platform Managed Portfolio Service



**Gold for Discretionary Fund Management Service**



# Financial Planning

Recent acquisitions have strengthened our route to market through independent advice

*£6.4bn*

AUA

*c.9,000*

Number of financial  
planning clients

*£710k*

Average client portfolio size

*over 90*

Employed advisers and  
paraplanners



# Net flows progression

Strong gross inflows at HY25 although outflows remain elevated



<sup>1</sup> HY25 represents annualised results.