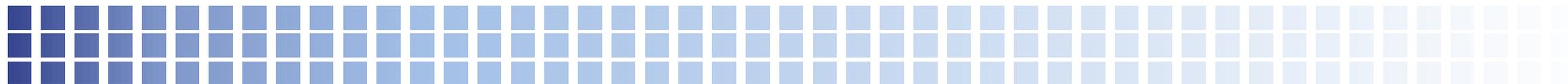


# Results Presentation



Half year ended 31 March 2023

## Key Highlights

### Resilient performance in volatile markets

*Resilient net flows of £1.6bn (representing annualised net flows of 6.5% of opening FUD) and growing client base (+4% growth vs HY22)*

### Award winning platform

*Transact has been rated as #1 UK adviser platform by all major industry publications over the past 10 years*

### Winning market share

*Transact's share of the UK adviser platform market has grown to 10% of FUD and 19% of net flows*

### Compelling market opportunity

*Strong market dynamics with platform sector assets expected to grow by 11% p.a. over the next five years<sup>(1)</sup>*

### Time4Advice users continue to grow

*Total fee paying users of CURO software up 41% from HY22 to 2.5k users*

### Outlook

*Resilient business model and net flows. Continue to implement the Transact platform digitalisation programme to deliver enhanced digital-first proposition to advisers*

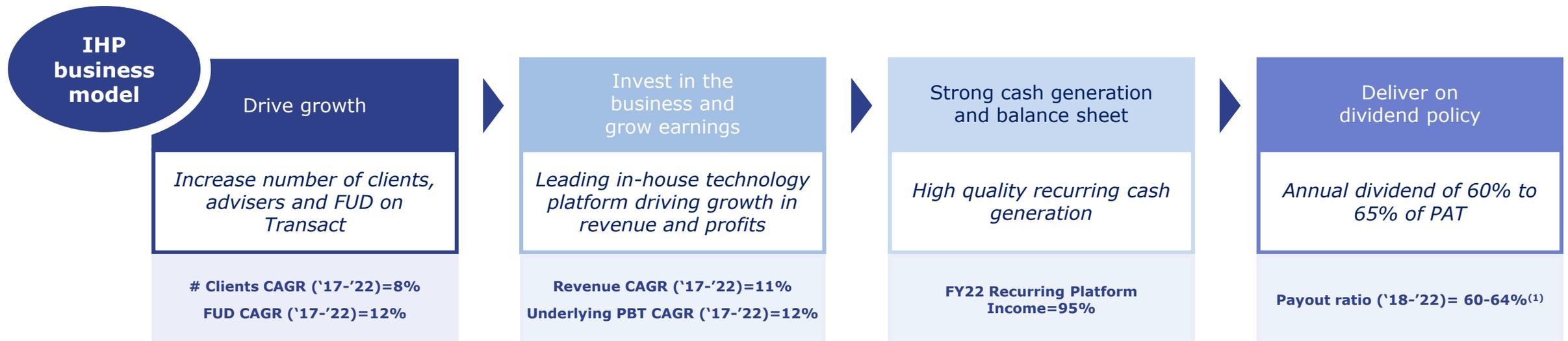
# IHP Group – we have a clear strategy and a simple business model

**Our aim is to be the number 1 provider of software and services for clients and UK financial advisers**

Our strategy is focused:

- We make financial planning easier for clients and their UK financial advisers
- We do this by harnessing technology, allied with high quality human service
- We prefer to insource, and so we own and develop our own software:
  - the Transact investment platform for clients and advisers
  - the Time4Advice (T4A) adviser practice management solution (CURO)

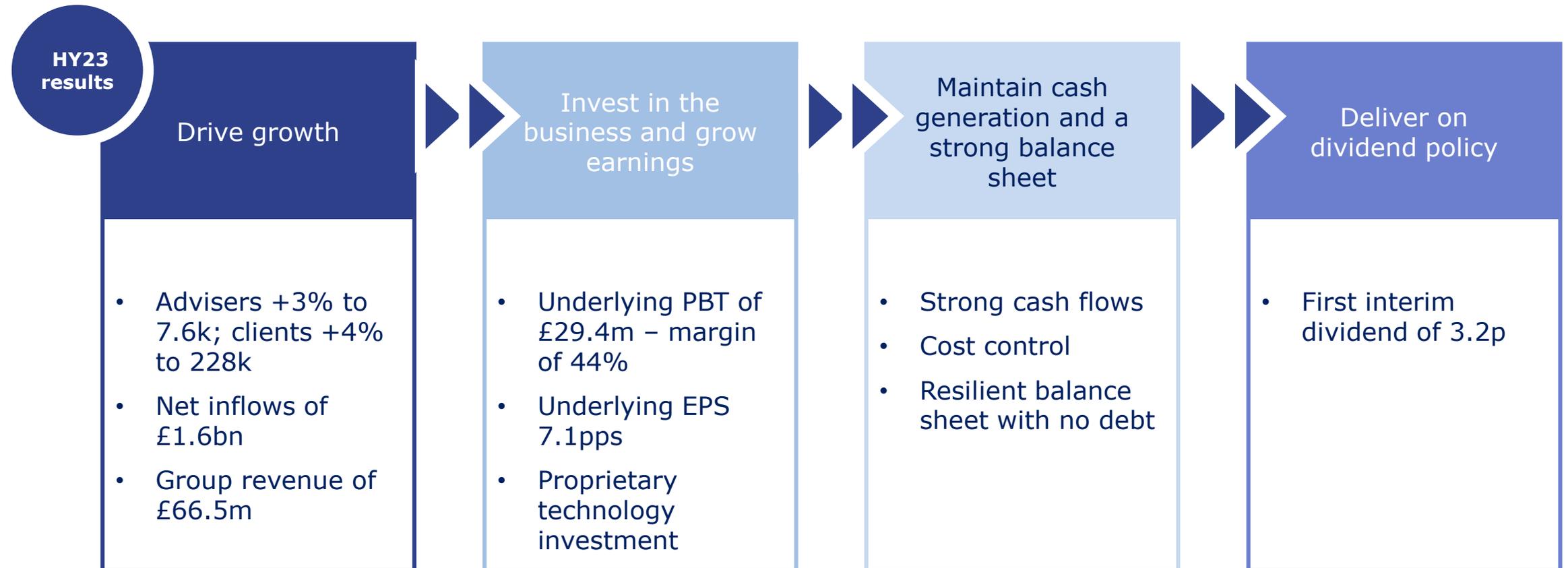
Our model is simple:



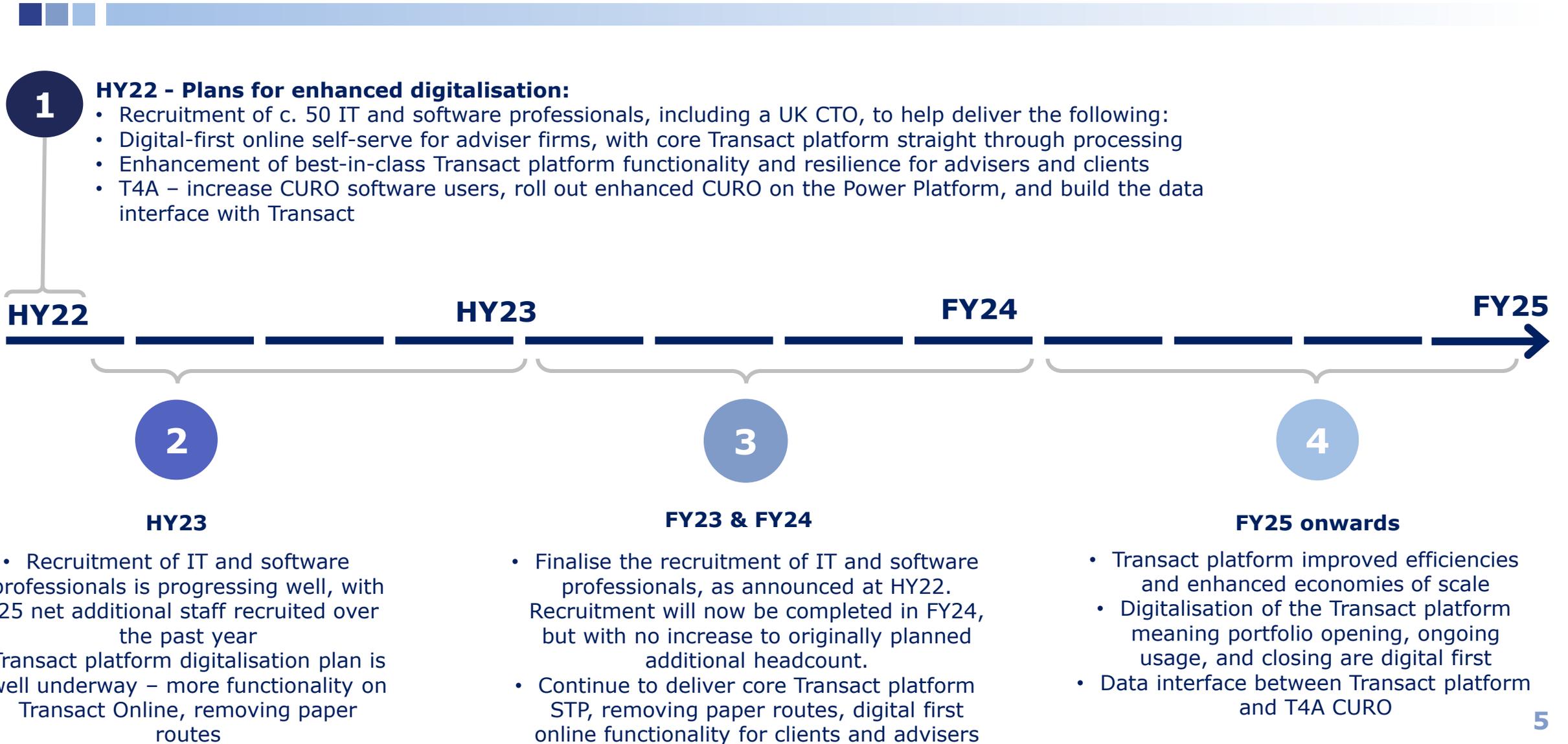
(1) DPS as a % of Underlying EPS

## IHP Group – our business model delivers growth

Leveraging our leading customer service, technology, and scalable operations to drive business growth

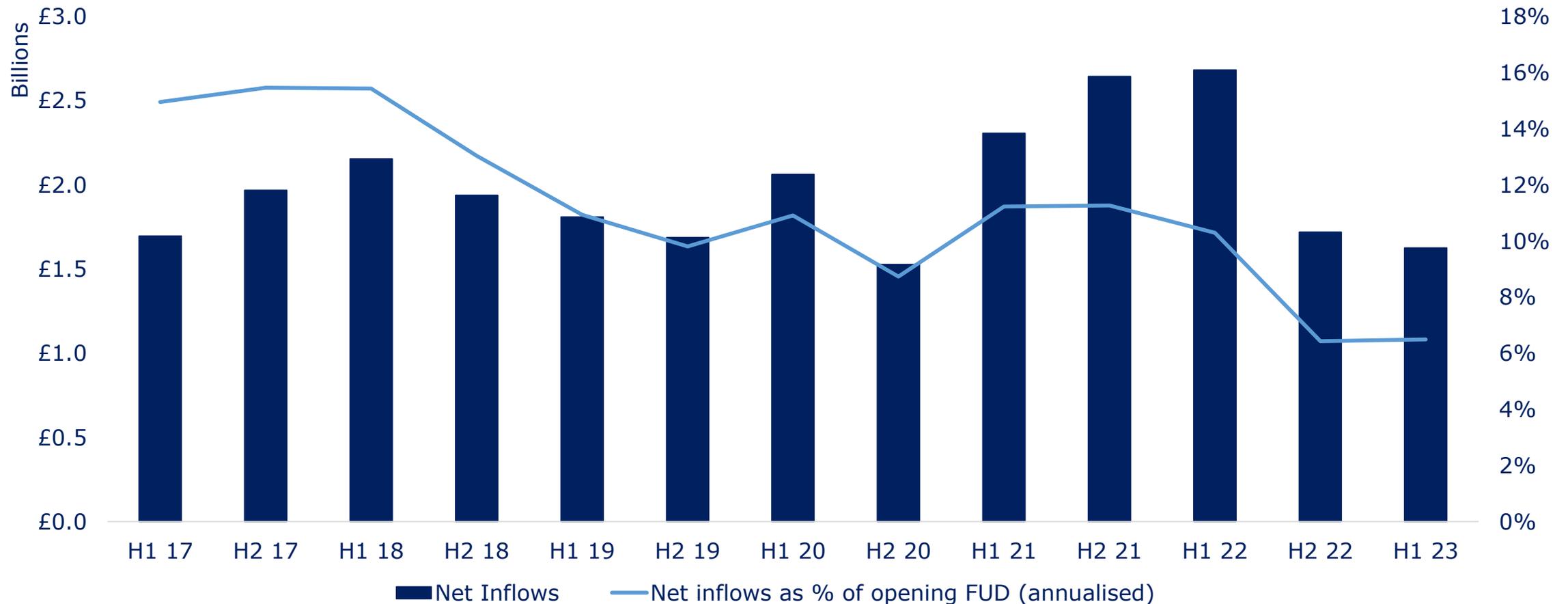


# IHP Group – update on our operational plan

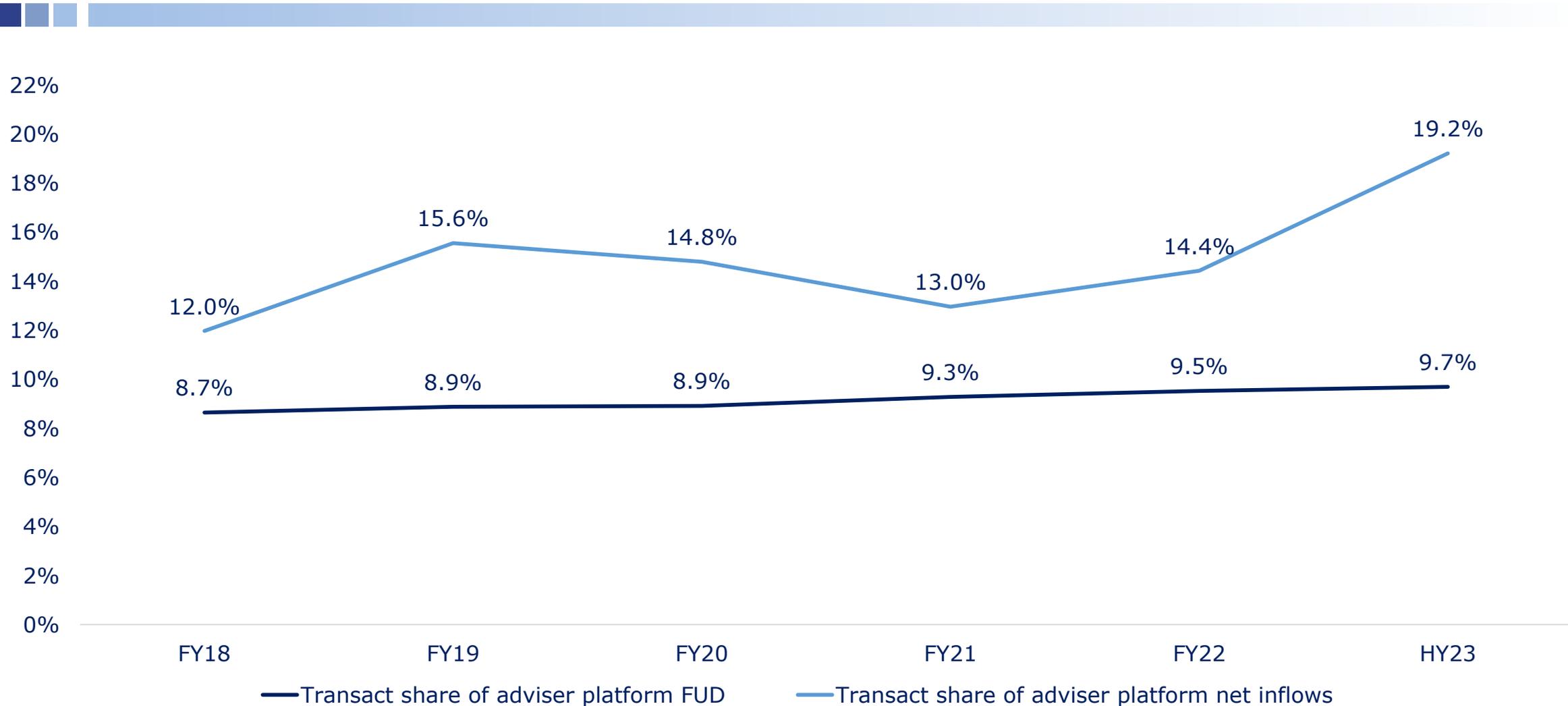


## Transact platform – resilient net inflows

### Half year net inflows to the Transact platform as a % of opening FUD (annualised)



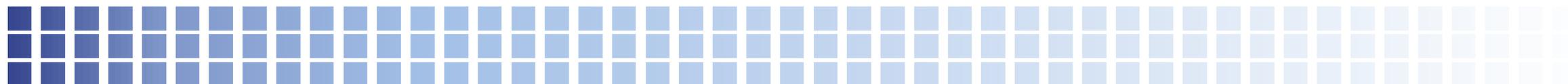
# Transact platform – growing share of FUD and net flows in the UK adviser platform market



## Group developments including sustainability

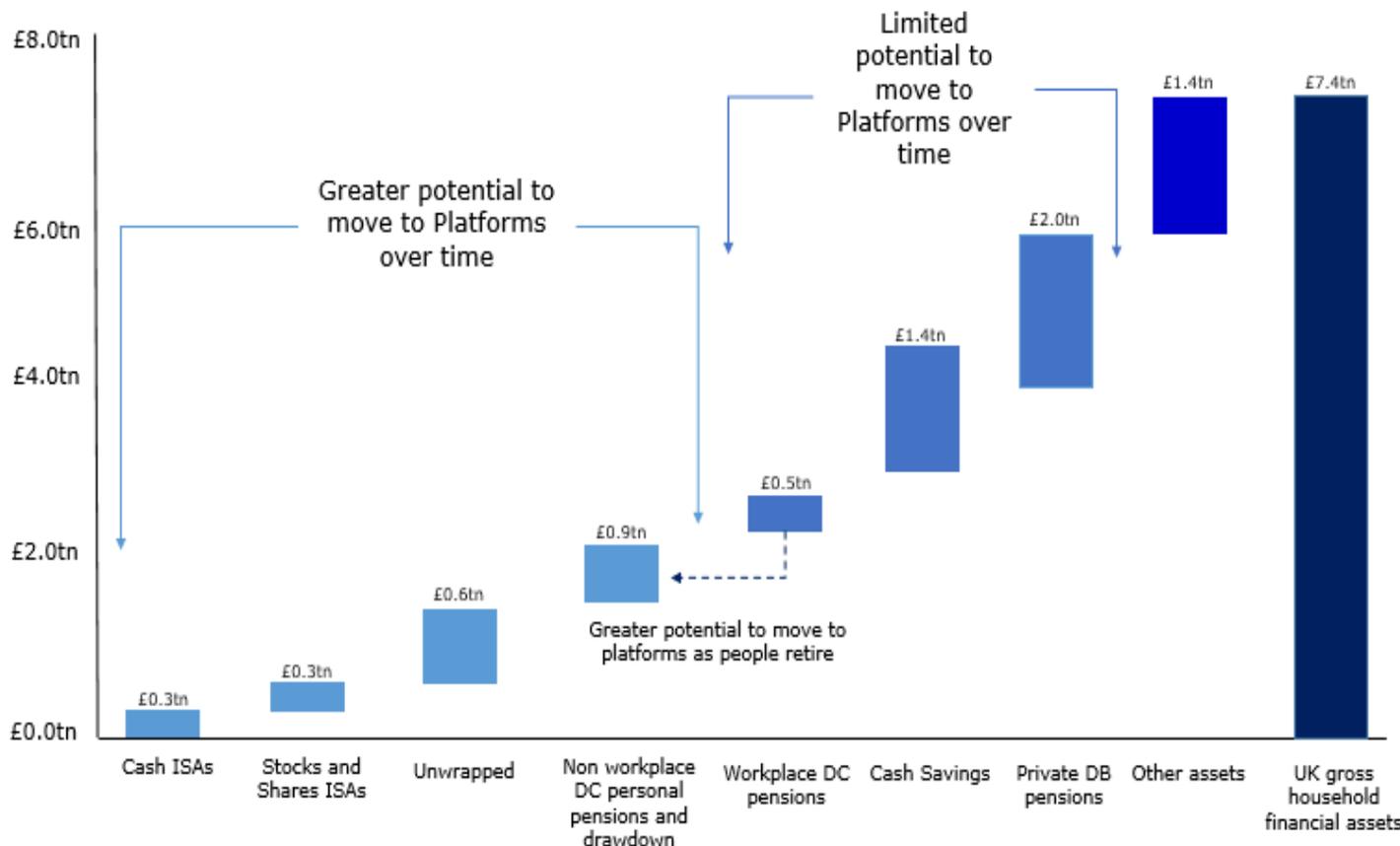
- Update on senior management additions:
  - the new CTO and Group CRO, both based in the UK, joined in January 2023
  - finalising recruitment of the Group CFO
- The Consumer Duty programme of work is being successfully implemented and we have issued communications to clients, advisers and DIMs. We've also completed extensive training for all staff.
- Initiated quarterly employee fora to enable employees to offer their feedback to the board and the senior management team with Rita Dhut, Non-Executive Director for employee engagement, acting as a conduit between our employees and the board.
- Sustainability - all new client portfolios opened as paperless by default; solar panels installed as key energy source for our Melbourne software development company, IAD; continuing development of the Group environmental plan.

# Platform update and adviser market outlook

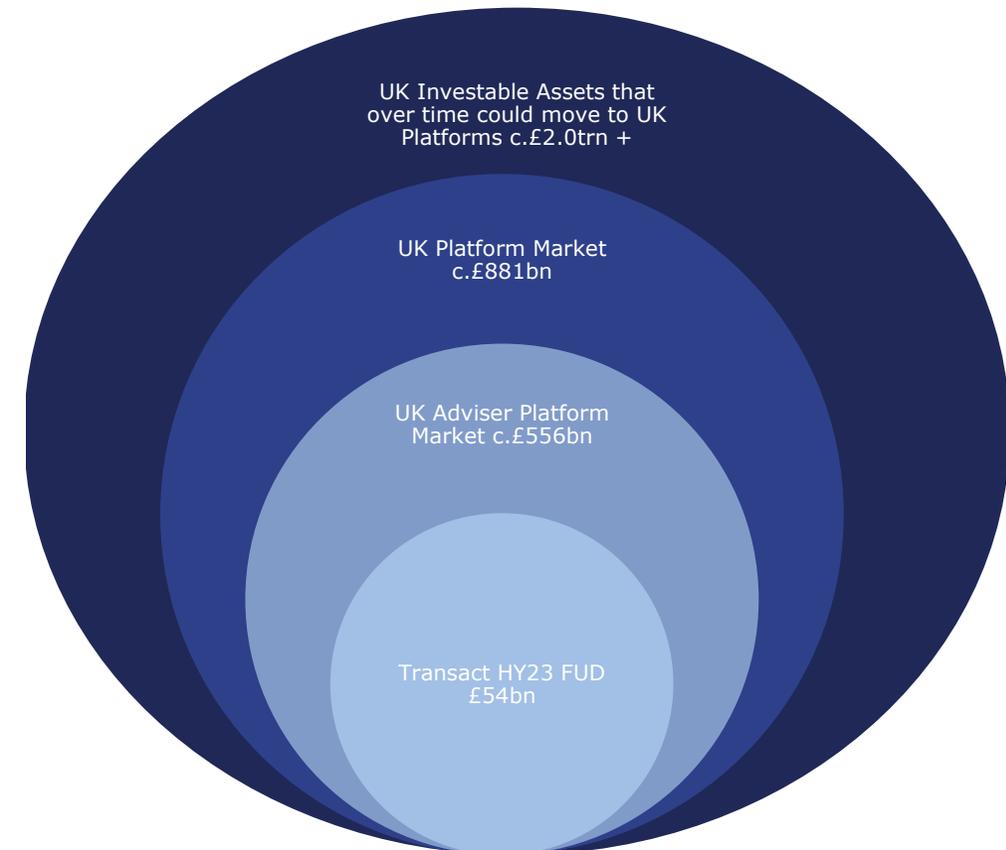


# Transact growth opportunity from substantial UK assets off platform

Significant growth opportunities - with assets coming to advisers from: savings; consolidation of pensions and ISAs from other providers; inheritance; and, pension accumulation, including under the Government required pension auto enrolment scheme



Large market with growth opportunities



# The UK government encourages long term savings and investment through tax incentive wrappers

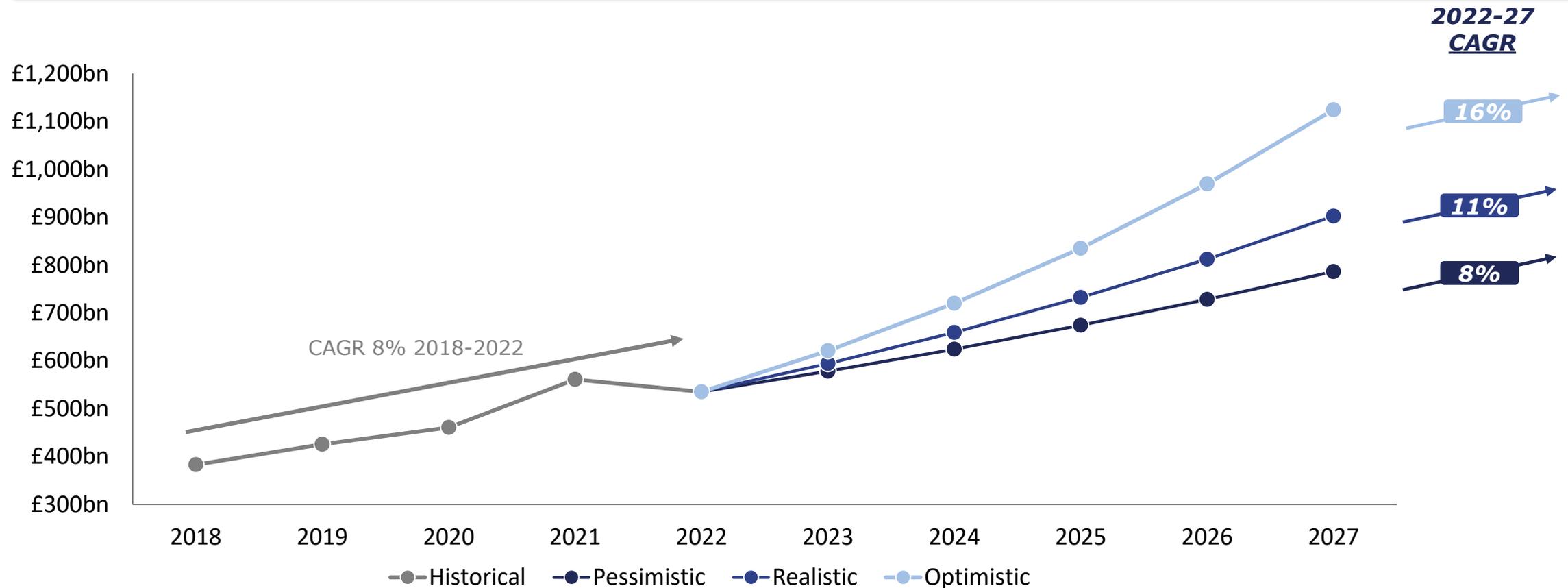
The UK is the fifth largest wealth market in the world and growing

Type of UK tax incentive wrapper	UK profile
Personal Pensions	30.2 million people in the UK have a private pension in accumulation. There could also be platform opportunities from the changes to Pensions lifetime allowance and annual allowance rules that were announced in the March 2023 Budget
Workplace Pensions	In 2020 nearly 8/10 employees in the UK were workplace pension members, the figure rising from less than 5/10 in 2012, in response to new 'Auto Enrolment' legislation
Individual Savings Accounts (ISAs)	c.7.9m stocks and shares ISAs
Junior Individual Savings Accounts (JISAs)	c.1.0m JISAs
Lifetime Individual Savings Accounts (LISAs)	c.0.7m LISAs

# Forecast adviser platform market growth

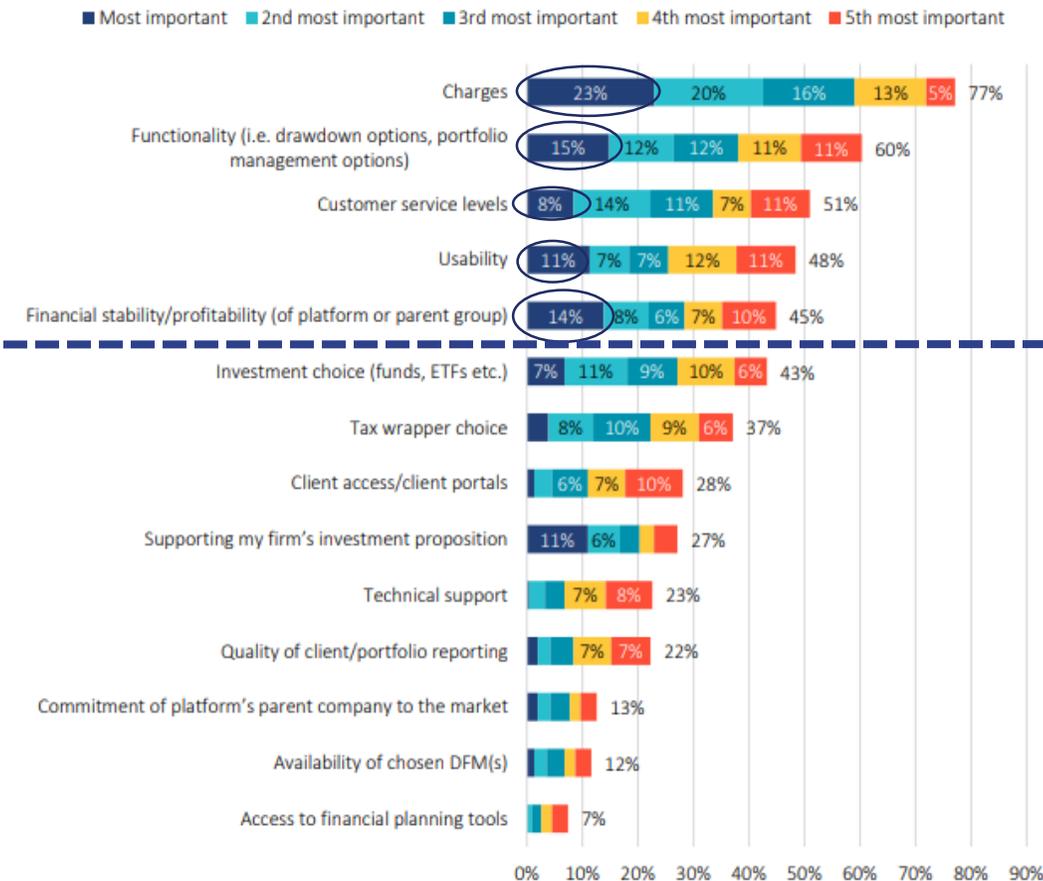


## Adviser platform assets – forecast by Fundscape



# Transact continues to meet financial adviser needs

## What are the most important factors advisers consider when choosing a platform?



Source: Platform UK adviser Platform Selection August 2022

## Key factors

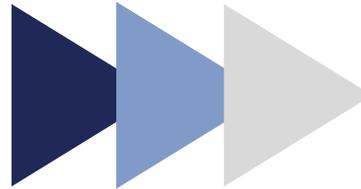
Customer Service Levels	<ul style="list-style-type: none"> <li>Transact rated top by Advisers for service provided by a large platform (&gt;£10bn) in the Investment Trends Report 2023</li> </ul>
Functionality	<ul style="list-style-type: none"> <li>Transact ranked 1<sup>st</sup> for 'Functionality' in the CoreData Investment Platform Study 2022</li> </ul>
Usability	<ul style="list-style-type: none"> <li>Transact was ranked 2<sup>nd</sup> for usability in Platform Issue 52 August 2022</li> </ul>
Financial Stability	<ul style="list-style-type: none"> <li>Transact is part of the IHP Group, and maintains a strong regulatory capital position, with zero balance sheet debt</li> </ul>
Charges	<ul style="list-style-type: none"> <li>Transact has reduced its charges in a responsible way over time. All client cash interest is paid onto clients.</li> </ul>

Source: Investment Trends Adviser Technology Report – May 2022 & CoreData Investment Platform Study 2022 & Platform UK Adviser Platform Guide – August 2022 (>£20bn assets)

## Transact has developed its digital-first capabilities to support adviser needs for online platform functionality



The 'adviser support team' helps advisers when they use Transact Online, through the use of live chat and co-browse functionality



### Adviser support team highlights HY23

- Live chat usage increased 18% from HY22
- 97% Live chat resolution success rate
- Co-browse requests are up 64% from HY22
- Completed 22k co-browse sessions throughout CY 2022



We have been increasing 'Self Serve' functionality for advisers on the platform and continued to develop guided applications



### Self-serve highlights HY23

- 93% of transactions were placed via Transact Online in Q2 FY23 (Q2 22: 89%)
- Creates efficiencies for both advisers and the platform

**The depth and breadth of our proposition and functionality has been recognised by NextWealth, through our 'Digital Process Champion' status**

## Market leading rate of interest on cash earned by clients

- 
- A horizontal bar with a gradient from dark blue on the left to light blue on the right, with three small dark blue squares at the start.
- The interest rate paid on client cash by Transact for April 2023 was 3.81%.
  - Interest earned on client cash is fully paid onto clients. c. 7% of total Transact platform FUD is held by clients as cash.
  - Only banks with UK banking licenses are utilised.
  - Independent industry analysis showed that as at February 2023, Transact paid the 2<sup>nd</sup> highest rate of gross interest on client cash across UK adviser platforms.

# Our award winning service proposition

The Transact platform:

- Maintained the highest NPS in the industry amongst primary users for the last 5 years\*
- Received a Platinum Platform rating by Adviser Asset in 2023
- Is the most considered platform amongst advisers looking to switch in the next 12 months\*
- Has a 91% satisfaction rating from primary users, the highest satisfaction rating of all platforms from Platforum’s primary users\*\*

	 <small>Category: All Platforms</small>	<small>Category: Large Platform (&gt;£25bn FUD)***</small>	 <small>Category: Large Platform (&gt;£10bn FUD)</small>
2023			TBC
2022			
2021			
2020			
2019			
2018			
2017			
2016			
2015			

\*\*\*Transact has derived platform size using Fundscape data

CoreData 2022 Overall average Score – Platform functionality	
Rank	Platforms
1 <sup>st</sup>	Transact
2 <sup>nd</sup>	Abrdn (Wrap and Elevate)
3 <sup>rd</sup>	Quilter
4 <sup>th</sup>	Fidelity Adviser Solutions
5 <sup>th</sup>	Nucleus Financial Platforms group (James Hay Online and Nucleus Wrap)
6 <sup>th</sup>	Aviva
7 <sup>th</sup>	AJ Bell
8 <sup>th</sup>	Embark
9 <sup>th</sup>	SEI Wealth Platform
10 <sup>th</sup>	Aegon

## Transact is a top 3 platform, by size of FUD, in the UK adviser platform market

	Platform	FUD as at 31.03.23	Percentage of adviser market FUD	Technology Provider
1	Abrdn	£69.7bn	13%	
2	Quilter	£69.0bn	12%	
<b>3</b>	<b>Transact</b>	<b>£54.0bn</b>	<b>10%</b>	<b>Proprietary</b>
4	Aegon	£50.3bn	9%	 Financial Services Technology
5	AJ Bell Investcentre	£47.3bn	8%	 Financial Services Technology
6	Fidelity	£46.8bn	8%	
7	Aviva	£40.6bn	7%	
8	Advance	£27.6bn	5%	
9	James Hay	£25.8bn	5%	 Financial Services Technology
10	True Potential	£23.8bn	4%	Proprietary

## Transact had the 2<sup>nd</sup> highest net inflows across adviser platforms in HY23



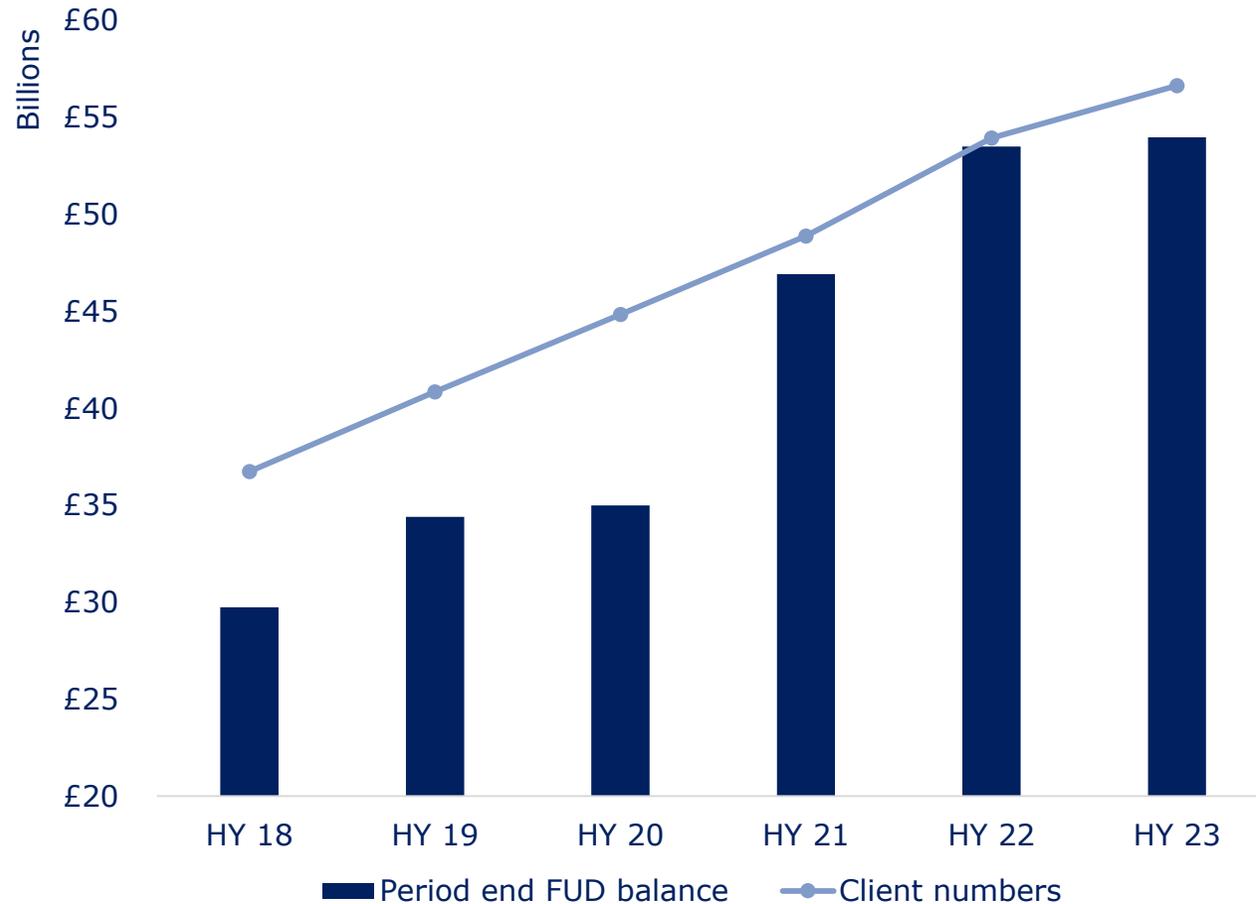
### Adviser platforms with net inflows of >£1bn in HY23

True Potential	£2.05bn
<b>Transact</b>	<b>£1.63bn</b>
Aviva	£1.36bn
AJ Bell	£1.10bn

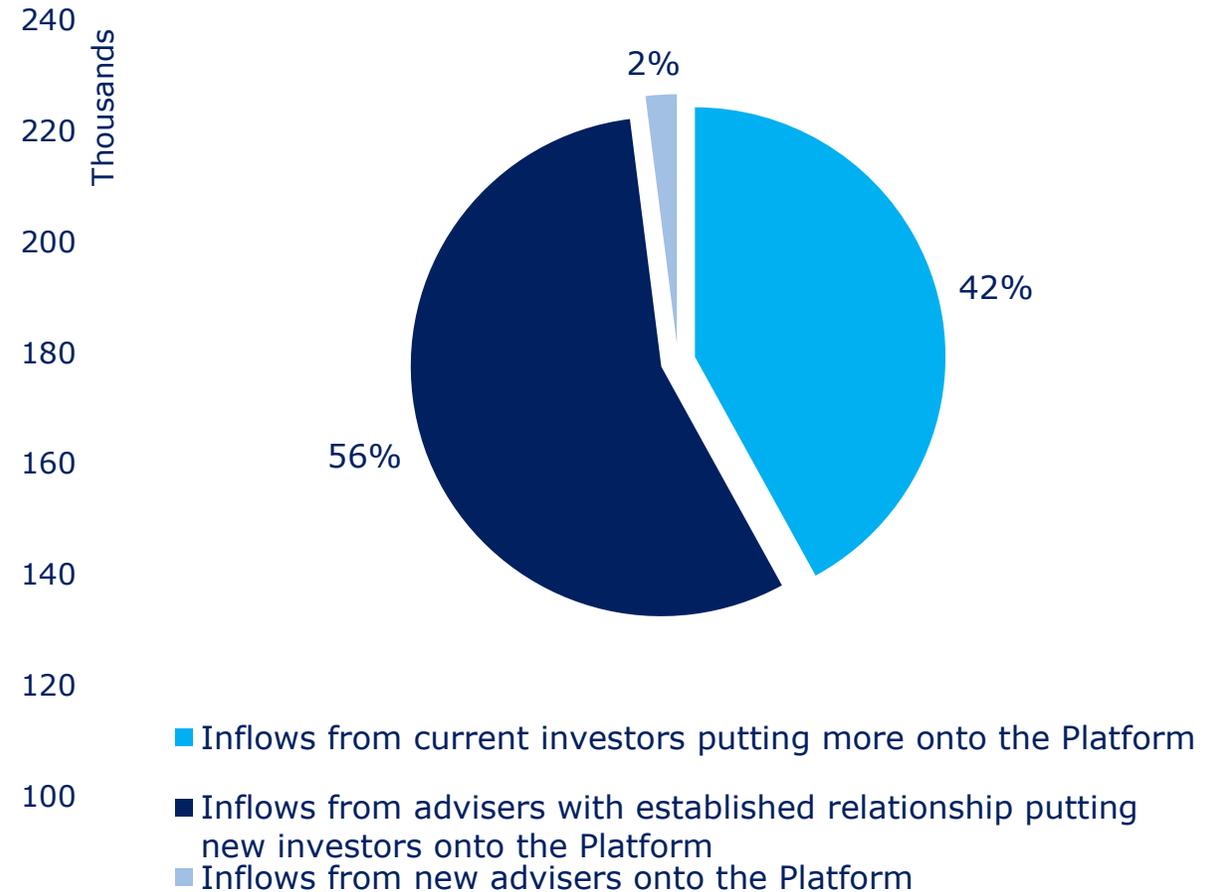
- Transact had a 19% market share of adviser platform net inflows for HY23
- Transact’s growth in FUD, clients and advisers is wholly organic

## Transact platform - resilient growth

Transact FUD and clients continue to grow over time



Source of gross inflows (HY23)



## Transact platform update for HY23

- **Average daily FUD for the half-year £52.6bn (HY22 £53.0bn)**
  - **Closing FUD £54.0bn (HY22 £53.5bn)**

### Advisers



**7.6k up 3% (HY22: 7.4K)**

#### Adviser Concentration:

- Low levels of adviser concentration
- Top 125 adviser firms hold less than 50% of platform FUD

### Clients



**228.2k up 4% (HY22: 218.8K)**

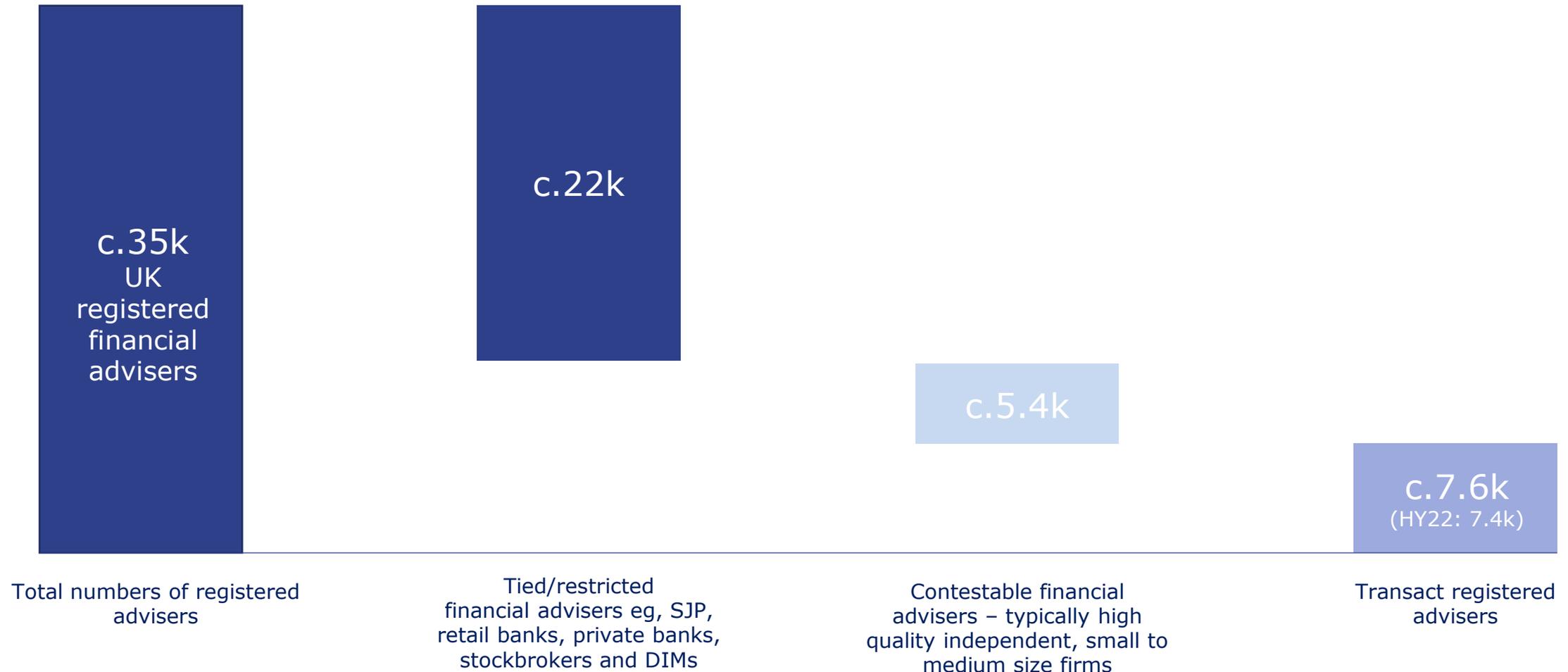
#### Average Client Profile :

- £237k portfolio value
- £374k family linked portfolio value
- Platform average client age of 59

# We continue to increase the number of registered advisers on Transact, whilst also gaining greater 'share of adviser wallet'



There are c.35k registered financial advisers in the UK – we estimate c.13k is contestable



# Financial update



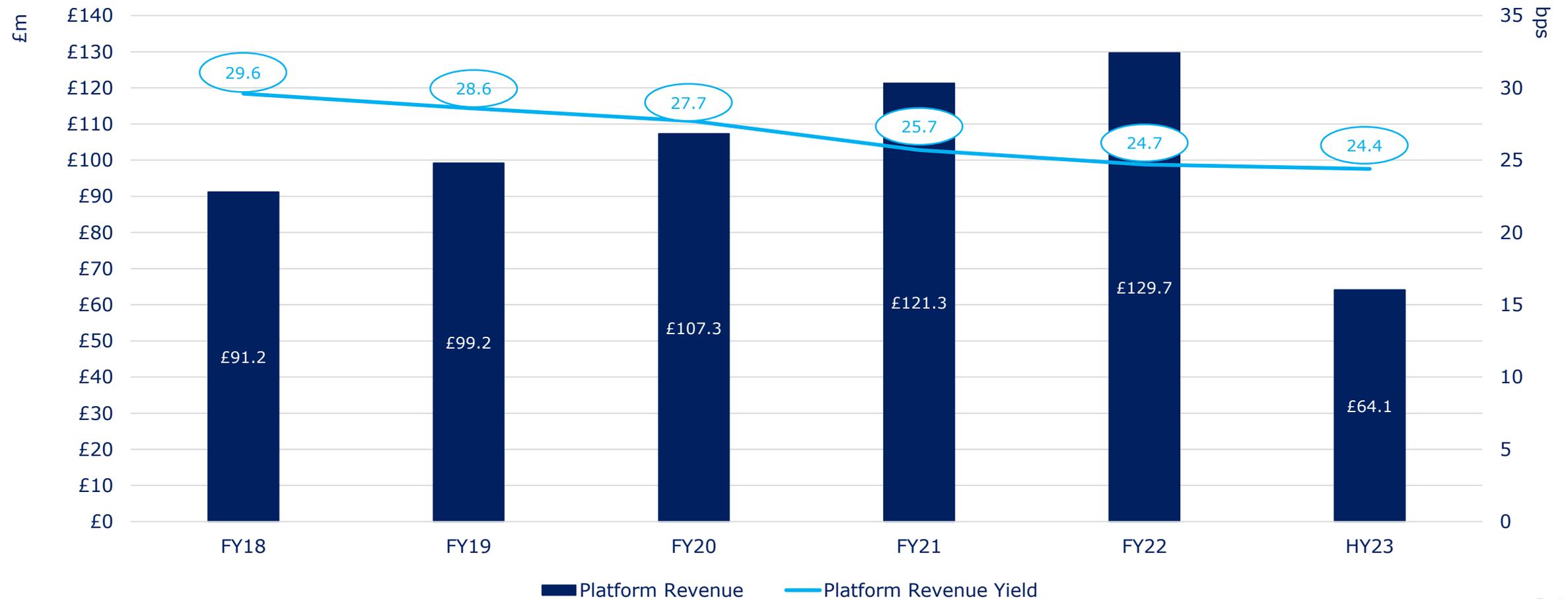
## Financial headlines HY23

£m	IHP Group HY 23	IHP Group HY 22	
<b>Group revenue (£m)</b>	<b>66.5</b>	<b>67.0</b>	<ul style="list-style-type: none"> <li>The underlying and reported Group PBT for HY23 has declined as a result of:               <ul style="list-style-type: none"> <li>Revenue down marginally due to market volatility and targeted price cuts implemented</li> <li>Investment in the planned Transact platform digitalisation programme</li> <li>Inflationary pressures</li> </ul> </li> <li>HY23 underlying result is after adjusting for non-underlying expenses of £1.5m (T4A post combination remuneration)</li> </ul>
<b>Underlying Group PBT (£m)</b> <sup>(1)</sup>	<b>29.4</b>	<b>32.4</b>	
<i>Underlying Group PBT margin</i>	<i>44.2%</i>	<i>48.4%</i>	
<b>Underlying Group earnings per share (pence)</b>	<b>7.1</b>	<b>8.0</b>	
<b>IFRS reported Group PBT (£m)</b>	<b>27.9</b>	<b>31.7</b>	
<b>IFRS reported Group earnings per share (pence)</b>	<b>6.6</b>	<b>7.7</b>	

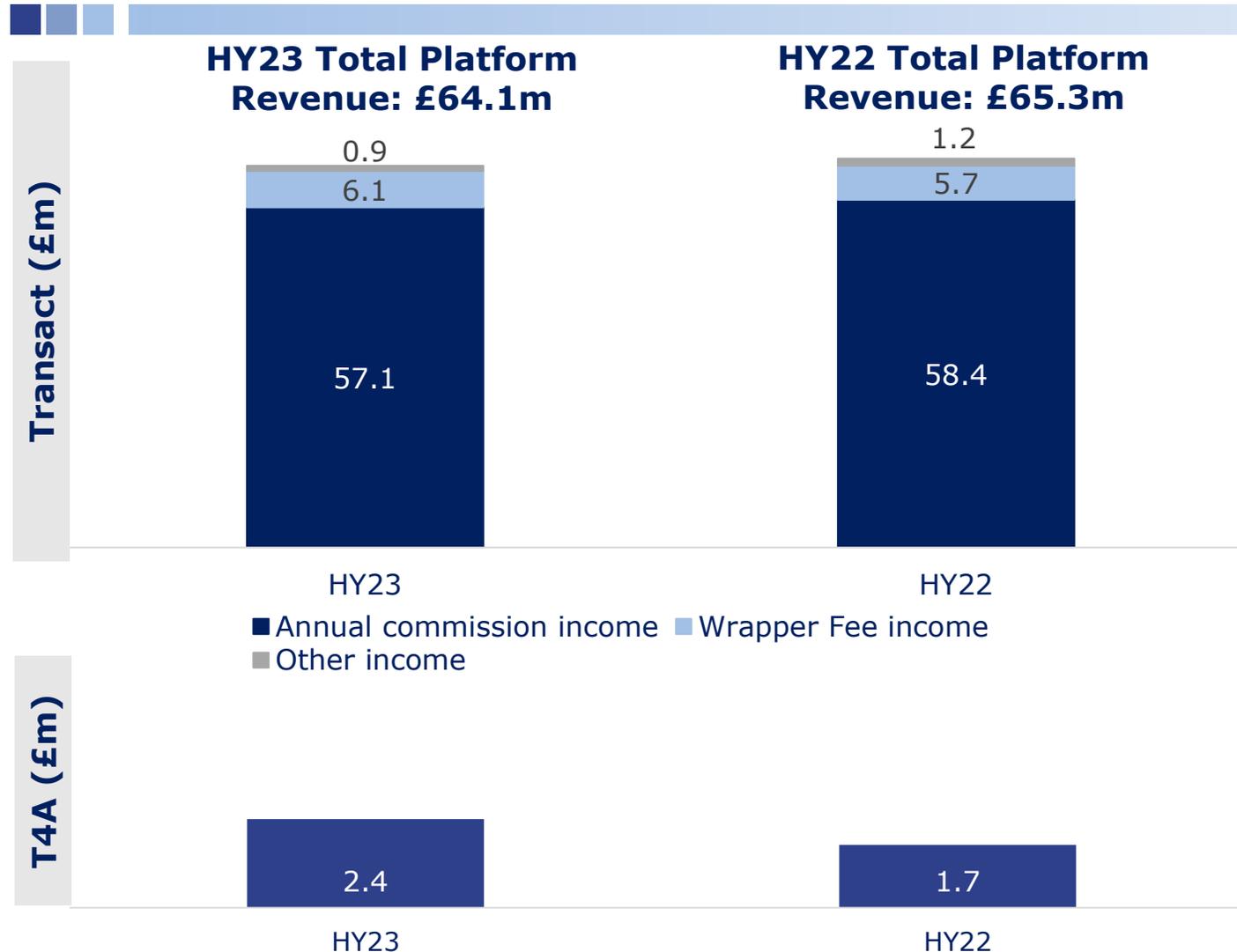
(1) HY22 underlying Group PBT includes £0.8m of VAT costs which were paid in September 2022, but were underlying costs for the period

# Platform revenue has consistently grown, with moderate revenue yield decreases from price cuts

**Platform revenue (£m), and revenue yield (bps)**



## Group revenue analysis



Platform revenue includes a mix of:

- recurring annual commission (dependent on FUD levels)
- wrapper fees (fixed £ charge, dependent on the number of wrappers)
- other income including buy commission

Platform revenue for HY23 includes the impact of the following price cuts in FY22:

- Buy commission reduction in March 2022
- Annual commission reduction in July 2022

T4A:

- T4A generated HY23 revenue of £2.4m (HY22: £1.7m)
- Comprising £1.9m of recurring revenue from adviser firms licensed to use CURO (HY22: £1.5m)

## Group costs have been managed, in an inflationary environment



**Staff Costs (£m)**



- Staff costs have increased in HY23 due to an increase in total average staff headcount, staff pay increases in recognition of the cost of living, and a salary/bonus restructure in October 2022

**Regulatory and Professional Fees (£m)**



- Regulatory and professional fees have increased primarily due to increased fee rates from the Group's regulators

**Occupancy (£m)**



- Occupancy costs have remained flat year on year

## Group staff numbers

	31 March 23	31 March 22	
Software development and IT infrastructure	140	117	<ul style="list-style-type: none"> <li>• Since 31 March 2022 we have added a net of 25 software development and IT infrastructure and security staff, including two at T4A</li> </ul>
Operational and support activities	418	419	
<b>Staff (excluding T4A)</b>	558	536	<ul style="list-style-type: none"> <li>• A UK-based Chief Technology Officer joined in January 2023</li> </ul>
T4A staff	73	67	
<b>Total IHP Group staff</b>	631	603	

## Group liquidity position, and dividends

Group liquidity position (£m)	As at 31.03.23
<b>Total Group consolidated cash</b>	<b>184.4</b>
Total Group cash held for: regulatory requirements; risk appetites; foreseeable dividend; and business as usual taxation requirements	150.6
<b>Group cash not specifically allocated to risk appetite purposes</b>	<b>33.8</b>

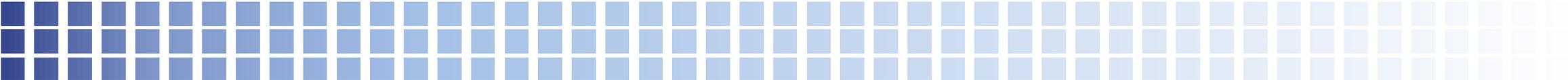
Dividend	FY23	FY22	FY21
<b>Per share</b>			
Ordinary – first interim	3.2 pence	3.2 pence	3.0 pence
Ordinary – second interim	<i>Not yet announced</i>	7.0 pence	7.0 pence

- The Group dividend policy is to pay a total annual dividend of 60-65% of profit after tax for the financial year

## Update on Time4Advice

- 
- A horizontal decorative bar consisting of three small squares (dark blue, medium blue, light blue) followed by a long gradient bar transitioning from dark blue to light blue.
- Time4Advice (T4A) continue to sign up new users, the total number of fee-paying users rose 41% in the last year to 2.5k
  - T4A total revenue of £2.4m for HY23 (HY22: £1.7m), comprising £1.9m of recurring revenue from adviser firms licensed to use CURO (HY22: £1.5m)
  - Costs continue to be tightly managed

# Guidance



## Financial guidance - cost guidance for FY23 and FY24 remains unchanged (as issued in December 2022)

	FY23	FY24
<b>Staff costs</b>	Expected to be a c.18% increase on FY22 (£47.1m)	Expected to be a 9% increase on FY23.
<b>Regulatory and professional fees</b>	Expected to be a c.8% increase on FY22 (£9.8m)	Expected to be a single digit % increase on FY23
<b>Occupancy</b>	Expected to be a c.9% increase on FY22 (£2.3m)	Expected to be a single digit % increase on FY23
<b>VAT on software</b>	The VAT cost guidance remains unchanged (as issued in September 2022) - expected to be c.£2.4m for FY23	
<b>Non-underlying expenses</b>	Post combination remuneration from the acquisition of T4A - £3m per year in FY23 & FY24 in line with original announcements	
<b>Other income – tax relief due to shareholders</b>	Expected to be c.£1.1m per year (but dependent on life company asset valuations at year end date)	

## Other Guidance

	FY23	FY24
<b>Platform revenue</b>	No further price cuts	Planning to erode the platform buy commission
<b>Net interest income on corporate cash held</b>	Net interest income on Group corporate cash - expected to be base rate less bank margin of c.150bps	
<b>Time4Advice - PBT</b>	Narrowing PBT loss for FY23 compared to FY22	PBT positive for FY24
<b>Dividends to shareholders</b>	Total annual dividend of 60-65% of profit after tax for the financial year	

## Summary



**Resilient performance in volatile markets**



**Compelling market opportunity**



**Award winning proposition driving growth in market share**



**Continued digitalisation driving efficiency and scalability**

# Q&A



# Disclaimer



The information contained in this presentation has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of IntegraFin Holdings plc (the "Company"), any other members of its group (together with the Company, the "Group") or its or their directors, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. Unless otherwise stated, all financial information contained herein is stated in accordance with generally accepted accounting principles in the UK at the date hereof.

Certain statements made in this presentation are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of known and unknown risks and uncertainties that may cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements.

Persons receiving this presentation should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, the Group does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

This presentation is being made only to, and is directed only at: (a) those persons who are (i) investment professionals within the meaning of paragraph (5) of Article 19 or high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49, of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (S1 2005/1529) (the "Order"); and (ii) qualified investors as defined in Article 2(e) of the Prospectus Regulation (EU) 2017/1129 (and therefore within the meaning of section 86 (2)(a) of FSMA, as amended by the The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019), or to other persons to whom it may lawfully be communicated in accordance with the Order; or (b) any person to whom it may otherwise lawfully be made (such persons together being "relevant persons"). Any person who is not a relevant person should not act or rely on this presentation or any of its contents. Any investment or investment activity to which this presentation relates is available only to relevant persons and will be engaged in only with relevant persons.

This presentation does not constitute or form part of, and should not be construed as: (i) an offer, solicitation or invitation to dispose of or acquire any securities or financial instruments, nor shall it, or the fact of its communication, form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract or commitment whatsoever with respect to such securities or financial instruments; or (ii) any form of financial opinion, recommendation or investment advice with respect to any securities or financial instruments.

No statement in this presentation is intended as a profit forecast or profit estimate.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

IntegraFin Holdings plc, 29 Clement's Lane, London, EC4N 7AE Tel: (020) 7608 4900 Fax: (020) 7608 5300  
(Registered office: as above; Registered in England and Wales under number: 8860879)  
The holding company of the Integrated Financial Arrangements Ltd group of companies.