

IHP Group - Investment Case



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The Group operates in the UK – with c. £2trn of investable assets still held off platforms (and c. £1trn on platforms – advised, and D2C)



Consistent organic growth from net inflows to the Transact platform



Top ranking service proposition



Best-in-class proprietary technology



Resilient business model, with attractive earnings growth



Experienced and entrepreneurial management team

Leading adviser platform, benefitting from structural growth opportunities

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:

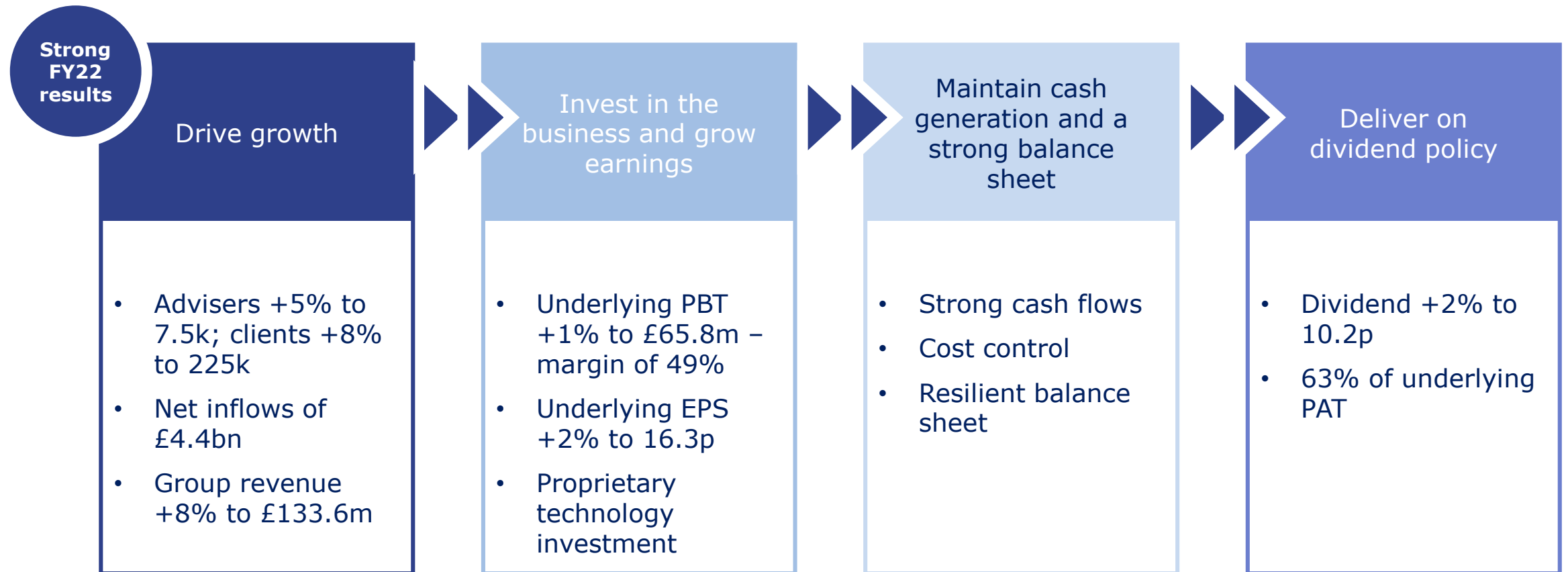
- We make financial planning easier for clients and their UK financial advisers
- We do this by harnessing technology, allied with high quality human service
- We prefer to insource, and so we own and develop our own software:
 - the Transact retail investment platform
 - the Time4Advice (T4A) adviser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

Our model is simple:

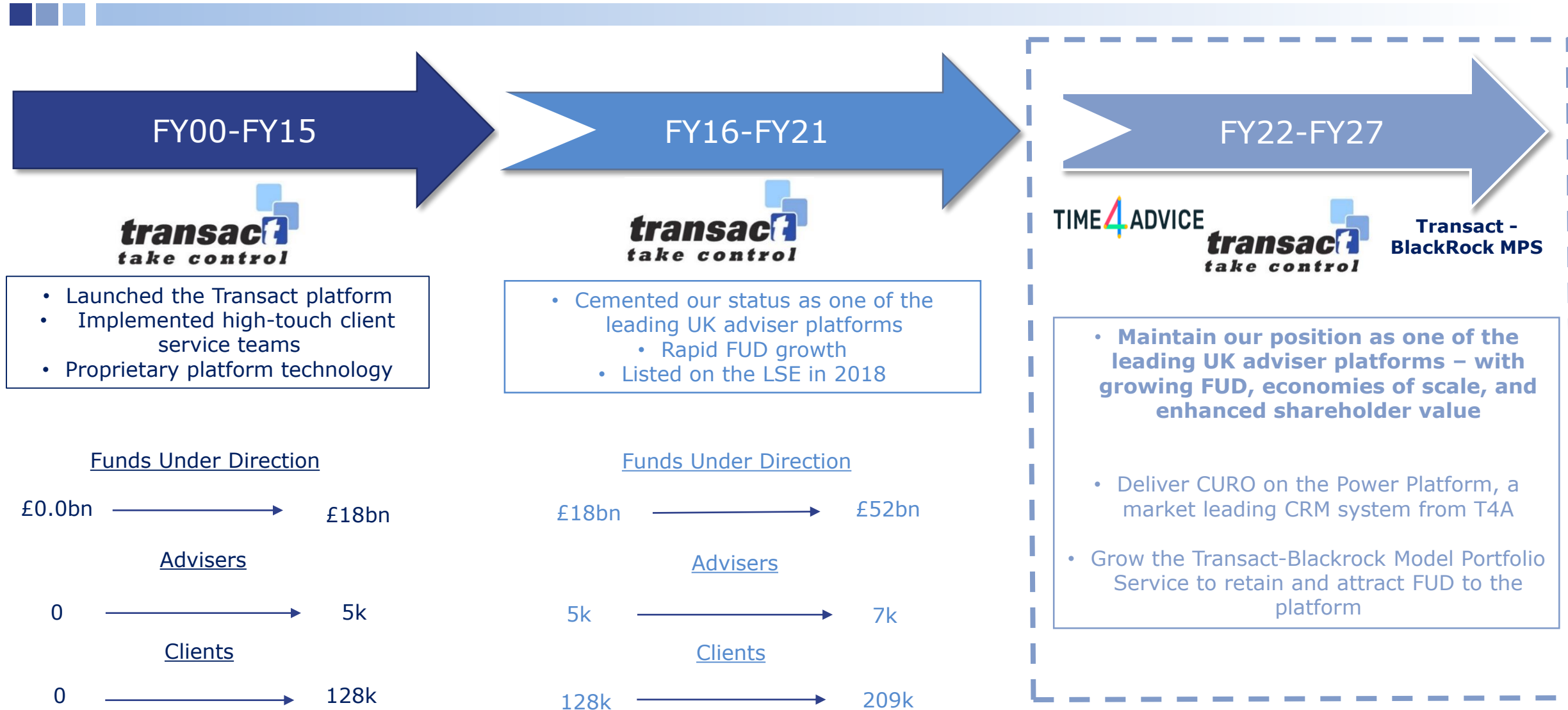


IHP Group – our business model delivers growth

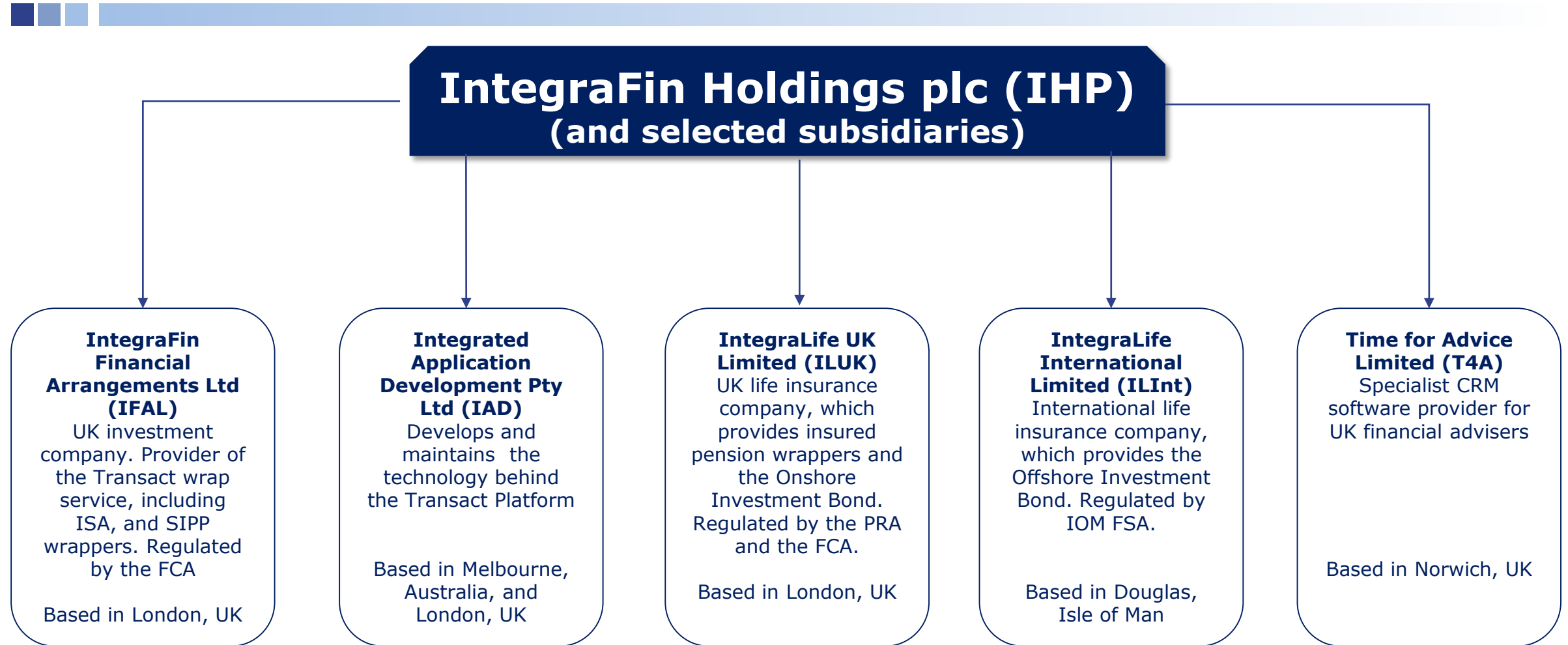
Leveraging our leading customer service, technology, and scalable operations to drive business growth



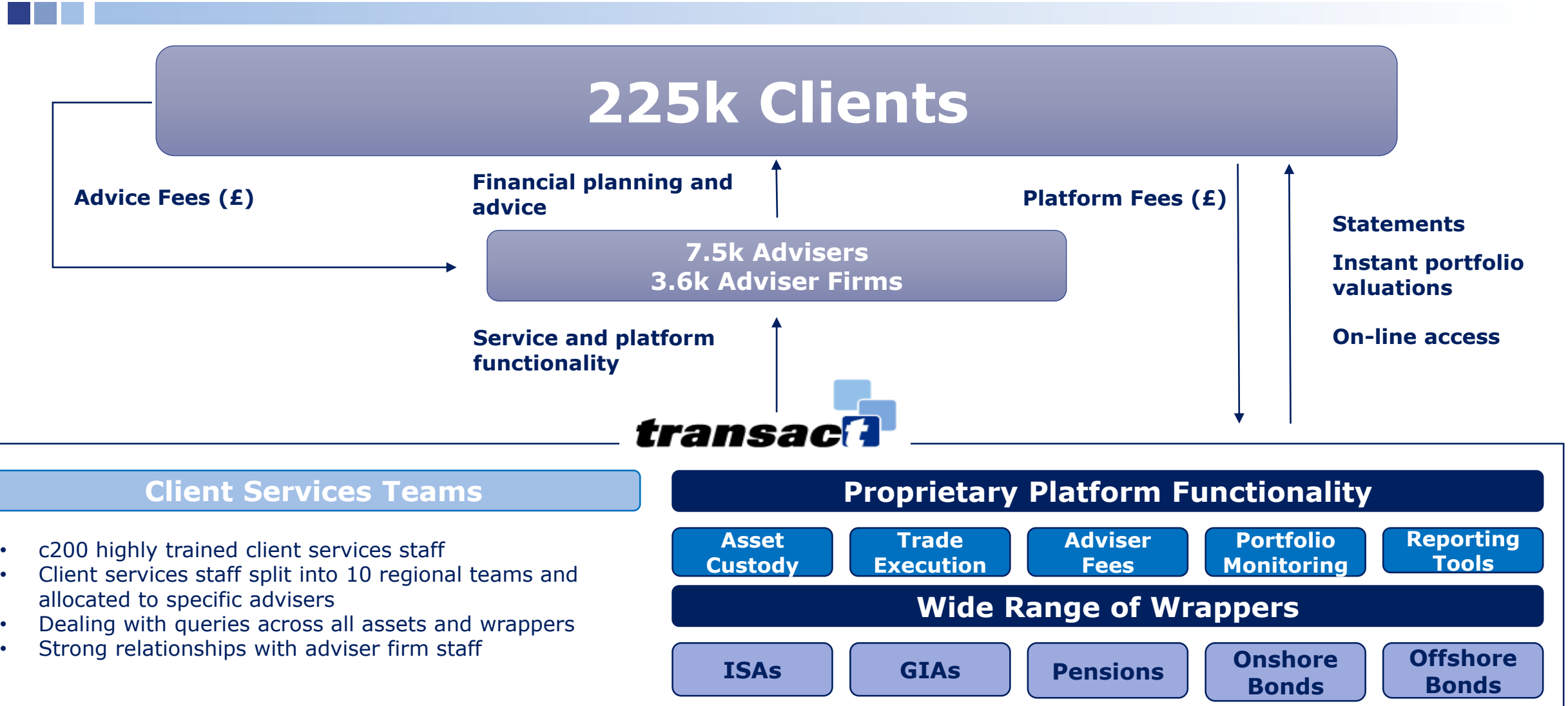
Our story so far, and the next phase



The IHP Group Structure

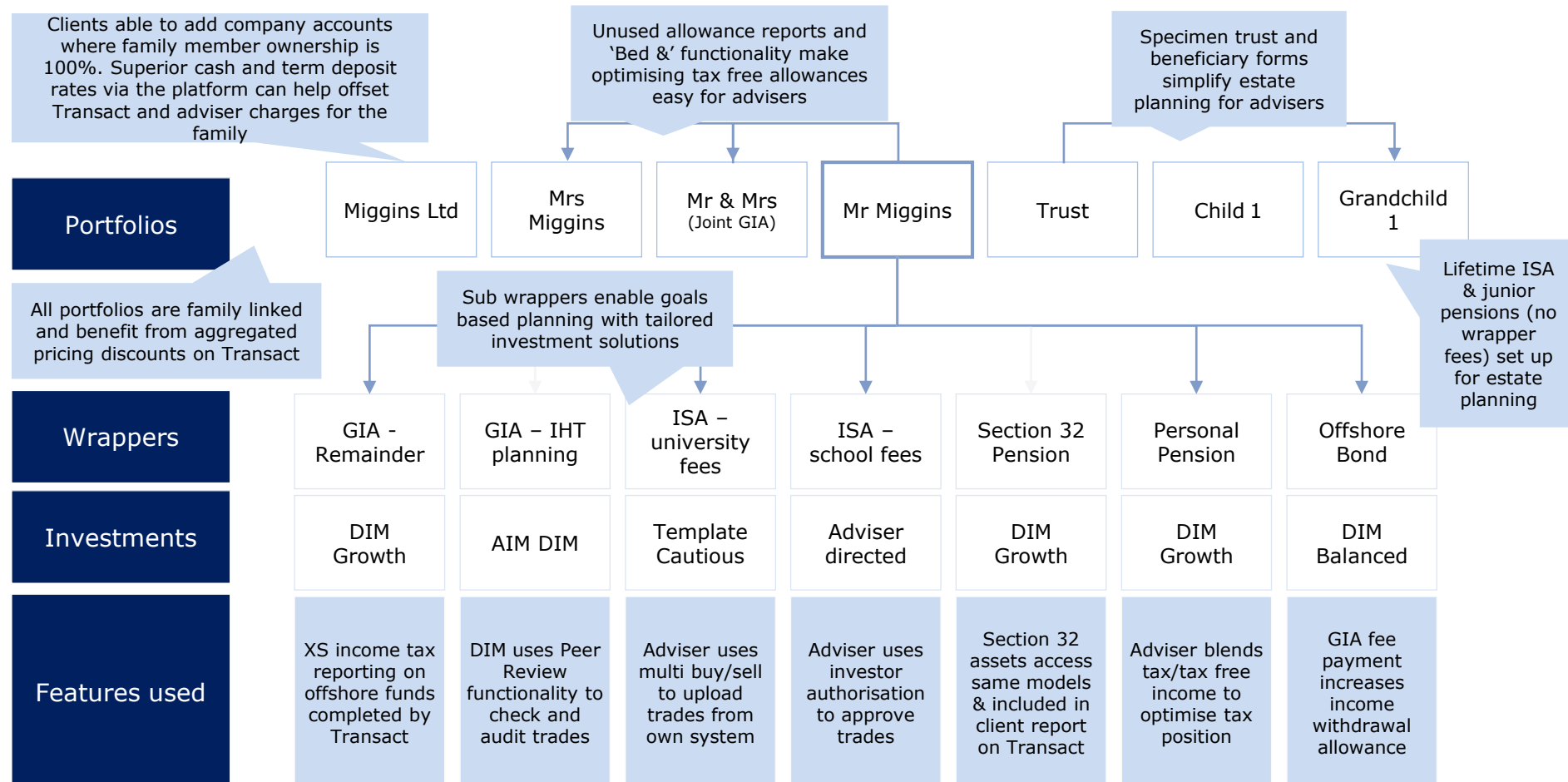


The Transact platform business model





























Transact - making financial planning easier

Our functionality makes financial planning easier for clients and their UK financial advisers



Our award winning service proposition

	 Category: Large Platforms (> £12bn FUD)	 Category: Large Platforms (> £10bn FUD)	 Category: Large Platforms (> £100n FUD)
2022			
2021			
2020			
2019			
2018			
2017			
2016			
2015			

CoreData 2022 Overall average Score – Platform functionality		
Rank	Platforms	Mean Score
1 st	Transact	8.5
2 nd	Abrdn (Wrap and Elevate)	8.4
3 rd	Quilter	8.3
4 th	Fidelity Adviser Solutions	8.2
5 th	Nucleus Financial Platforms group (James Hay Online and Nucleus Wrap)	7.9
6 th	Aviva	7.8
7 th	AJ Bell	7.6
8 th	Embark	7.3
9 th	SEI Wealth Platform	7.3
10 th	Aegon	6.2

The Transact platform:

- Received top rating in the UK Investment Trends Adviser Technology & Business Report 2022
- Received the top Net Promotor Score (NPS) out of 18 platforms in the UK Investment Trends Survey 2022
- Won Professional Adviser Best Platform for Advisers (AUM above £25bn) 2022
- Received a Platinum Platform rating by Adviser Asset
- We were rated Next Wealth Digital Champions in April 2021

A short history of the IHP Group

A horizontal timeline bar with a gradient from dark blue to light blue. A large, dark blue arrow points downwards from the left side of the bar, indicating the progression of time.

1990s

Investment platforms were developed in Australia in the 1990s in response to new Australian Superannuation Pension rules. Mike Howard was deeply involved in this growing industry in Australia.

1999

Mike had been developing platform software in Australia for the Australian market.

Mike Howard and Ian Taylor co-founded Transact in 1999. They developed new platform software for the UK market, and this enabled them to launch Transact as the first wrap platform in the UK in 2000.

Transact introduced a new approach whereby clients would agree to pay their adviser directly from their own investment portfolio. This was both fair and transparent, for advisers and clients. This was a disruptor compared to the predominant commission-based model for adviser remuneration.

Mid 2000s

Many legacy personal pensions were historically provided by life insurance companies and therefore they are technically 'insured' pensions. Transact acquired its own UK life insurance company, ILUK, and setup its own offshore life insurance company, ILInt - Transact is now able to offer its own wrappers for insured pensions, and offshore and onshore investment bonds.

A short history of the IHP Group

A vertical blue arrow pointing downwards, serving as a timeline indicator, with a horizontal bar at the top.

2012

Over the prior decade other wrap platforms entered the UK market, and larger insurers and fund managers brought out their own 'fund supermarkets'. However, the FCA's Retail Distribution Review, and Investment Platform Review outlawed product commission for advisers on the retail investment products they sold to clients from these large insurers and fund managers. This moved all platforms over to the wrap platform model, which had already been used by Transact for the previous 12 years.

2016

Transact's platform technology continues to be developed and maintained by IAD in Australia. The IHP Group acquired IAD in July 2016.

2018

IHP listed on the London Stock Exchange on 27 February 2018.

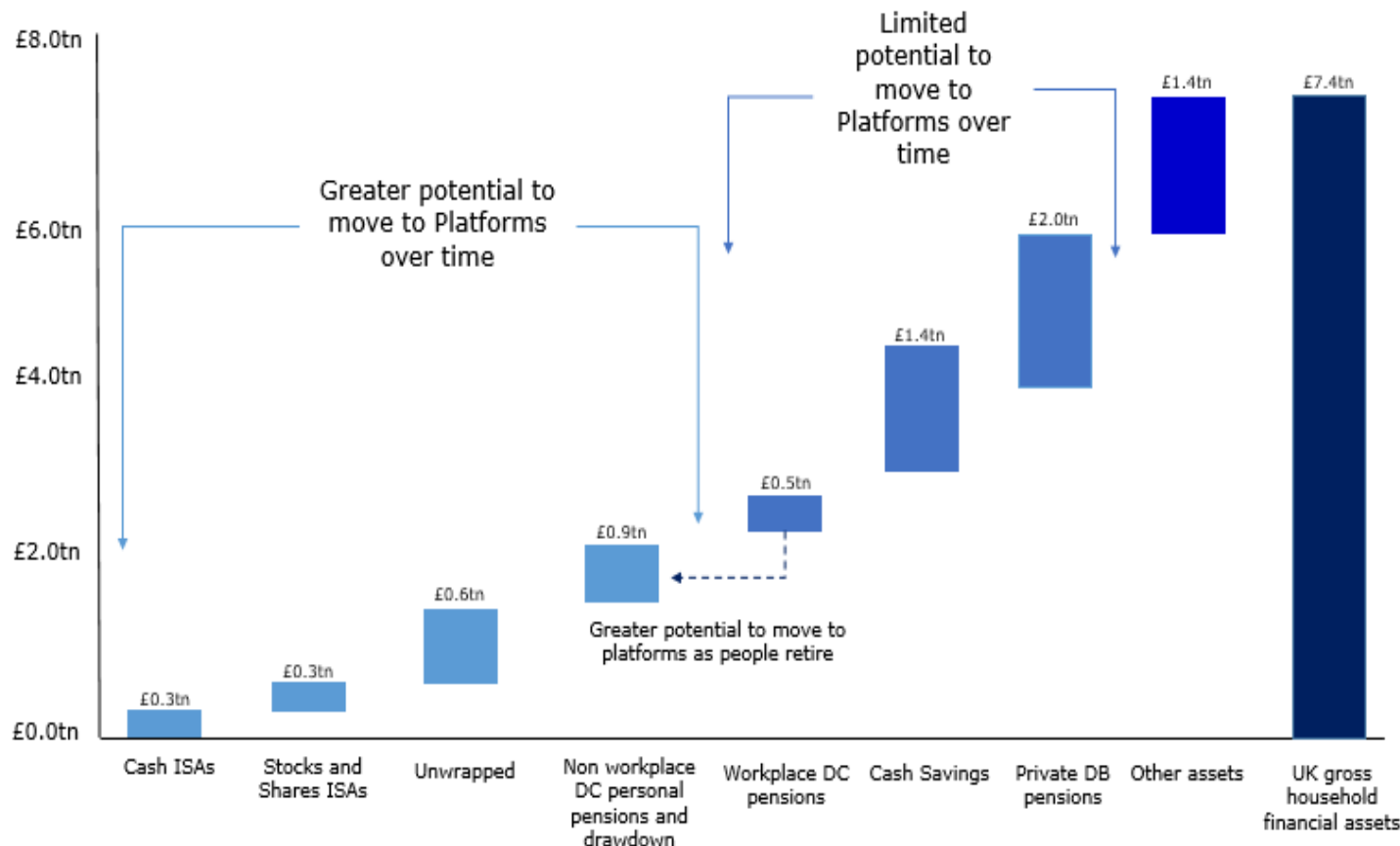
2021

Transact Platform Funds Under Direction reached £50bn for the first time. Group PBT reached £63m. Adviser software firm T4A was acquired.

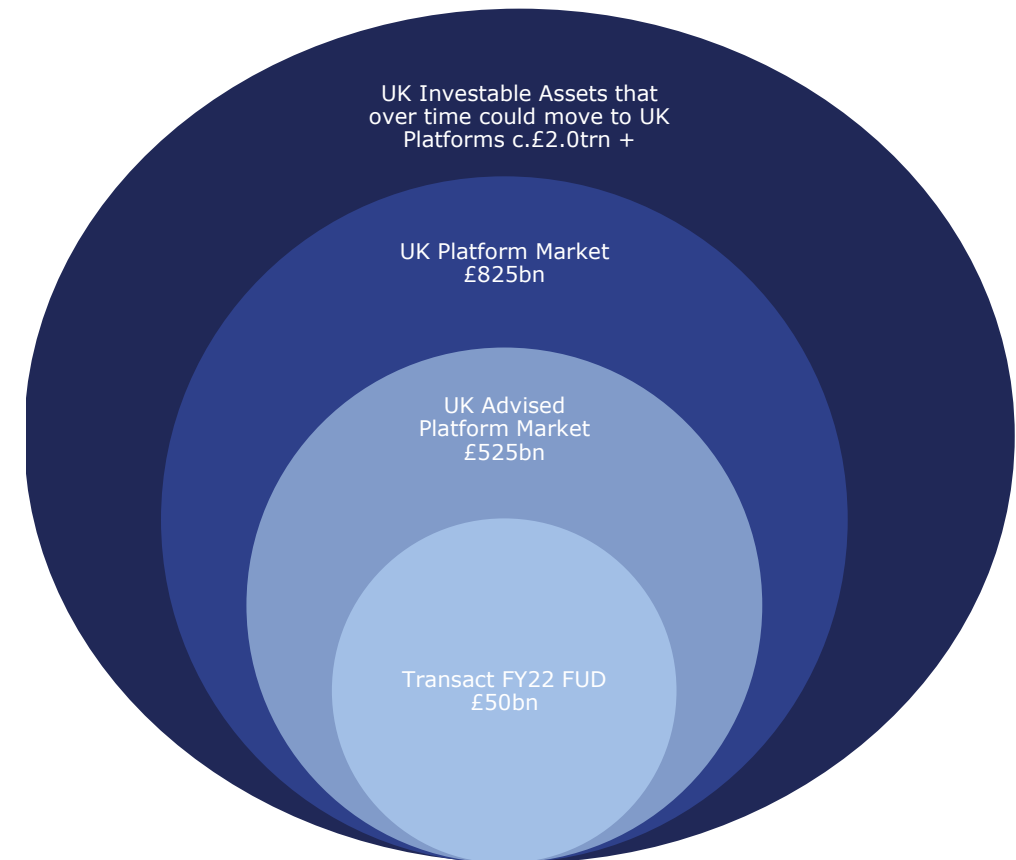
Transact growth opportunity from substantial UK assets off platform



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



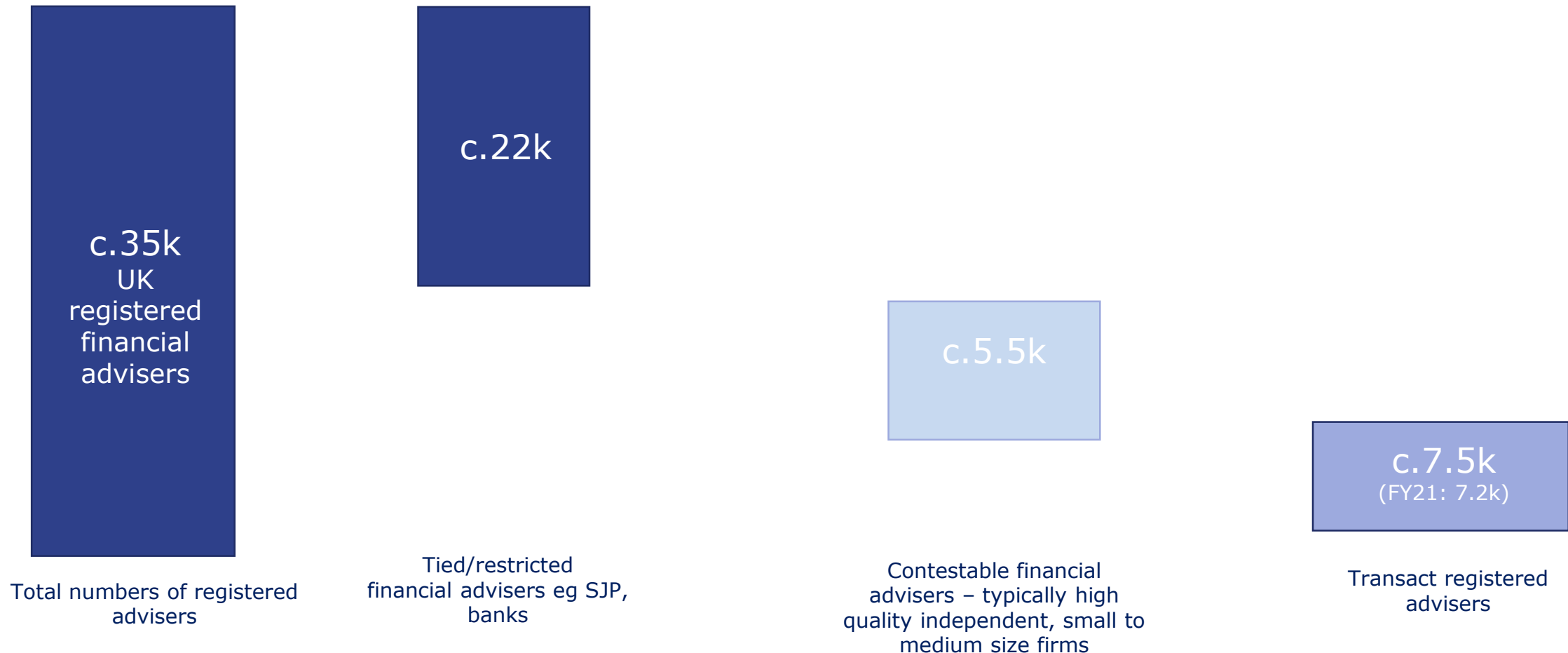
Large market with growth opportunities



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



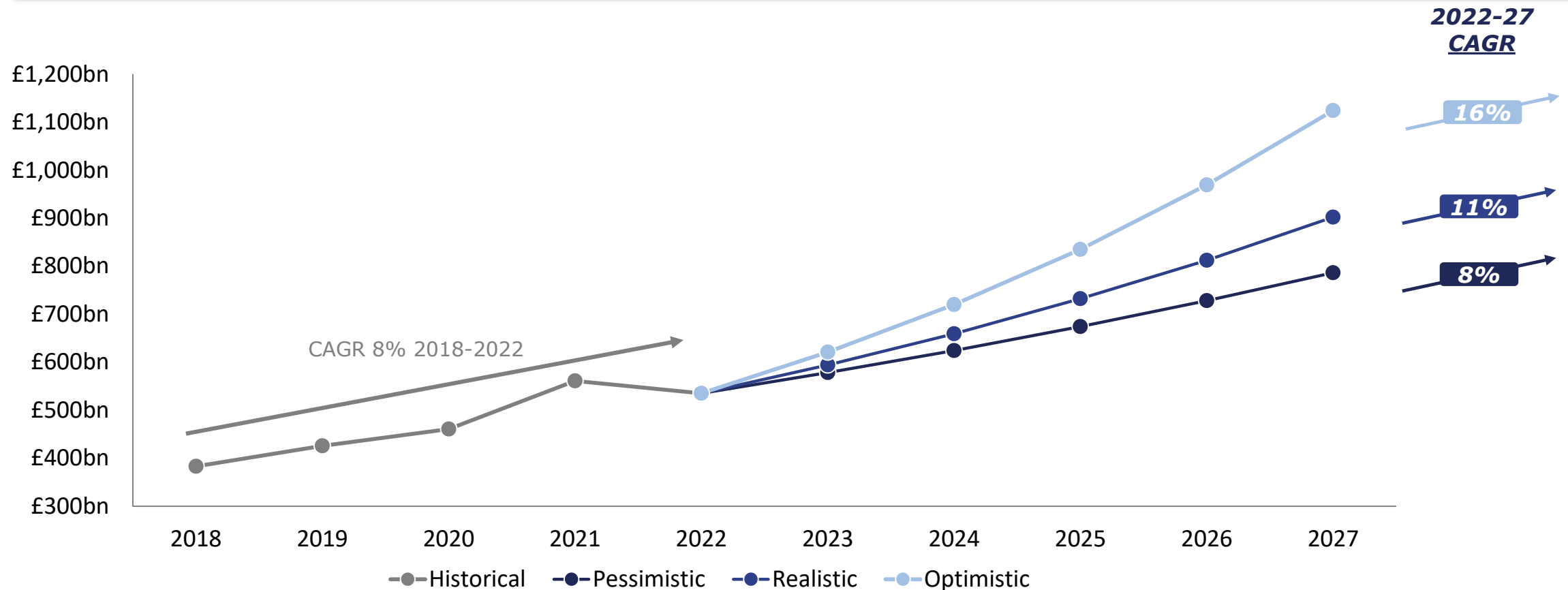
There are c.35k registered financial advisers in the UK – we estimate c.13k is contestable



Forecast adviser platform market growth



Adviser platform assets – forecast by Fundscape










Transact had the 2nd highest net inflows across all adviser platforms in Q1 FY23











TOP 5 ADVISER PLATFORMS BY NET INFLOWS - Q1 FY23	
True Potential	£1,100m
Transact	£700m
Aviva	£562m
AJ Bell	£500m
Fidelity	£350m

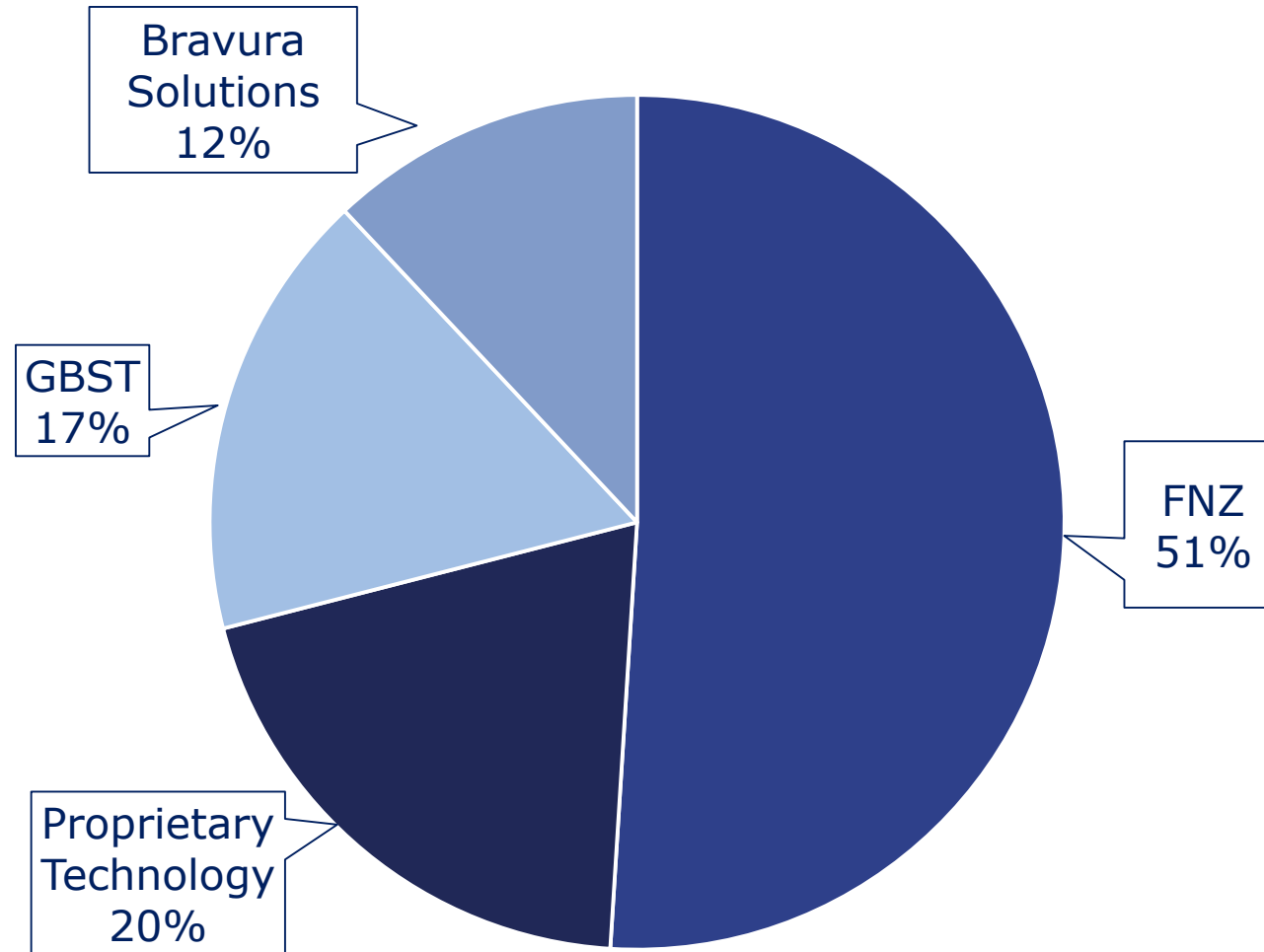
Transact is a top 3 platform in the UK adviser market



	Platform	CY22 Advised Net Inflows	Technology Provider
1	True Potential	£4.9bn	Proprietary
2	Aviva	£3.8bn	
3	Transact	£3.8bn	Proprietary
4	AJ Bell Investcentre	£3.2bn	 Financial Services Technology
5	Fidelity	£2.3bn	
6	Quilter	£2.2bn	
7	Abrdn	£1.6bn	
8	Advance by Embark	£1.4bn	
9	7IM	£0.8bn	Proprietary
10	Raymond James	£0.7bn	 Financial Services Technology

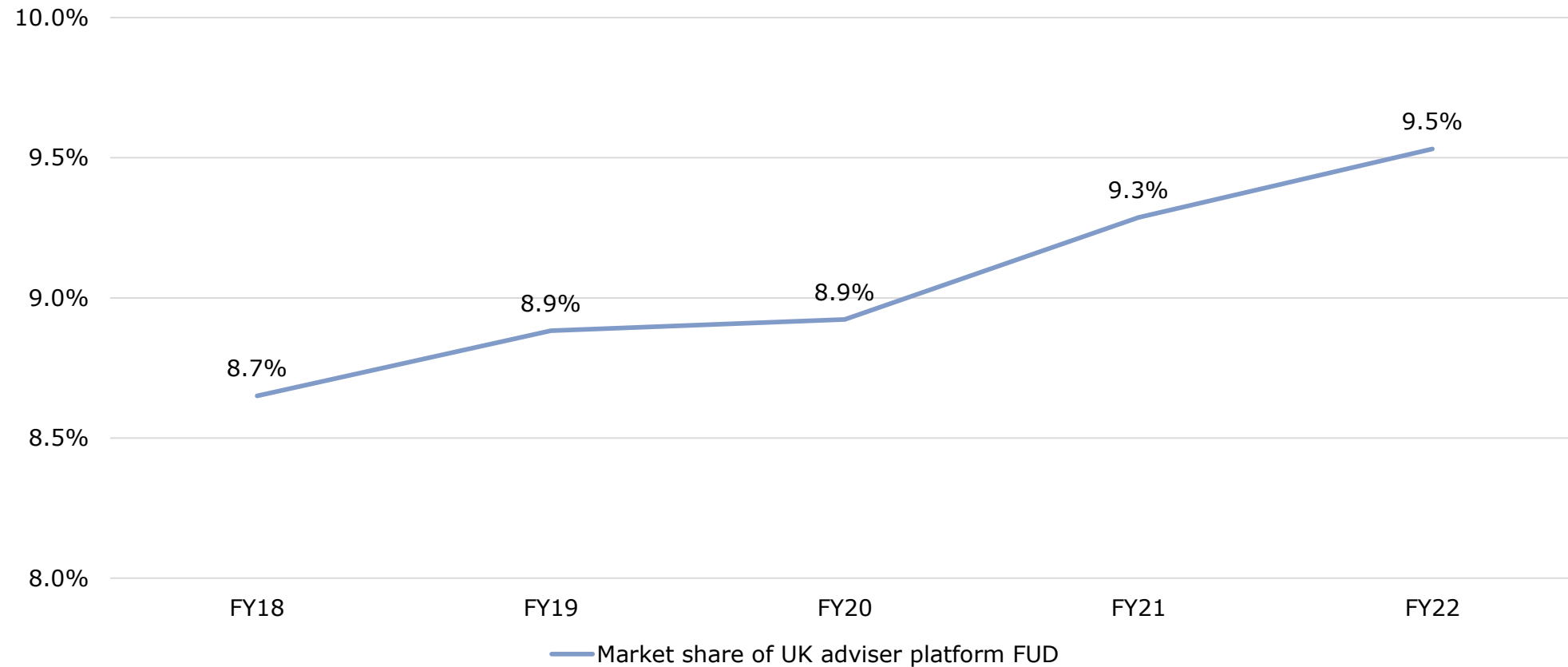
	Platform	FUD as at 31.12.22	Percentage of advised market FUD	Technology Provider
1	Abrdn	£68.5bn	13%	
2	Quilter	£67.0bn	12%	
3	Transact	£52.1bn	10%	Proprietary
4	Aegon (ARC & Cofunds)	£49.5bn	9%	 Financial Services Technology
5	AJ Bell Investcentre	£46.0bn	9%	 Financial Services Technology
6	Fidelity	£45.6bn	8%	
7	Aviva	£39.0bn	7%	
8	Advance by Embark	£27.0bn	5%	
9	James Hay	£25.5bn	5%	 Financial Services Technology
10	True Potential	£22.4bn	4%	Proprietary

UK adviser platform technology providers market share by AUM

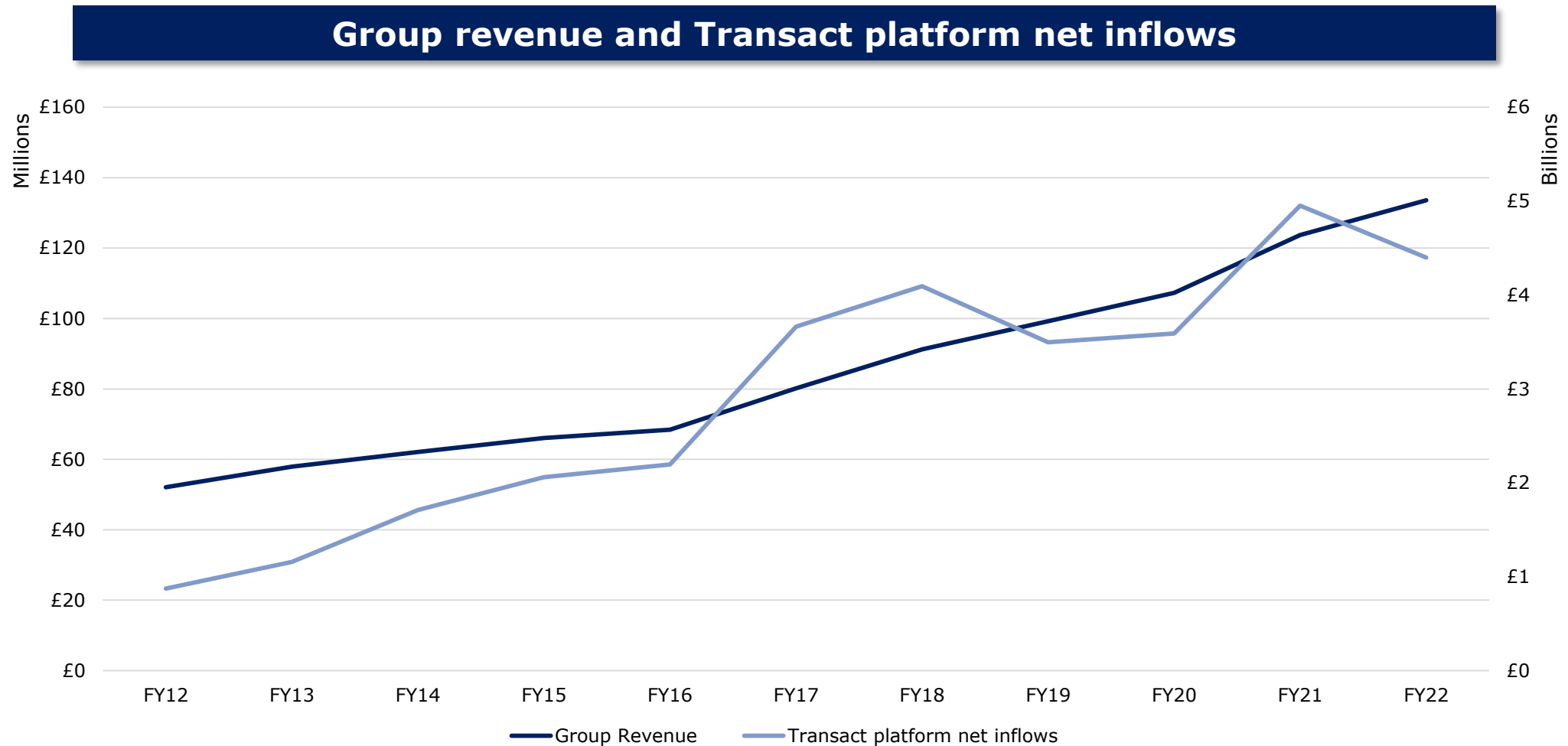


- The Transact platform is run on our own proprietary technology, giving us greater control of development.
- Most UK adviser platforms outsource the underlying technology for their platforms to one of three main providers: FNZ, GBST and Bravura Solutions.

Transact platform – growing market share in the UK adviser platform market

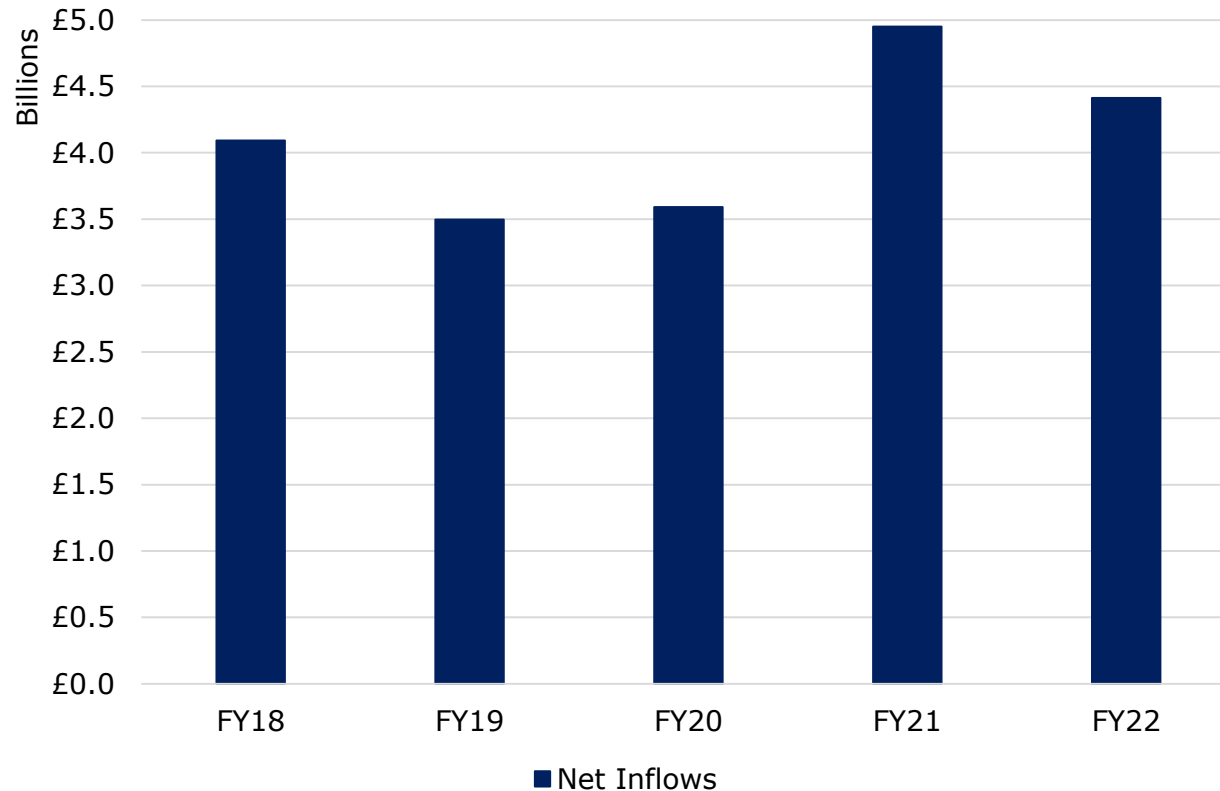


Group revenue and net inflows over time

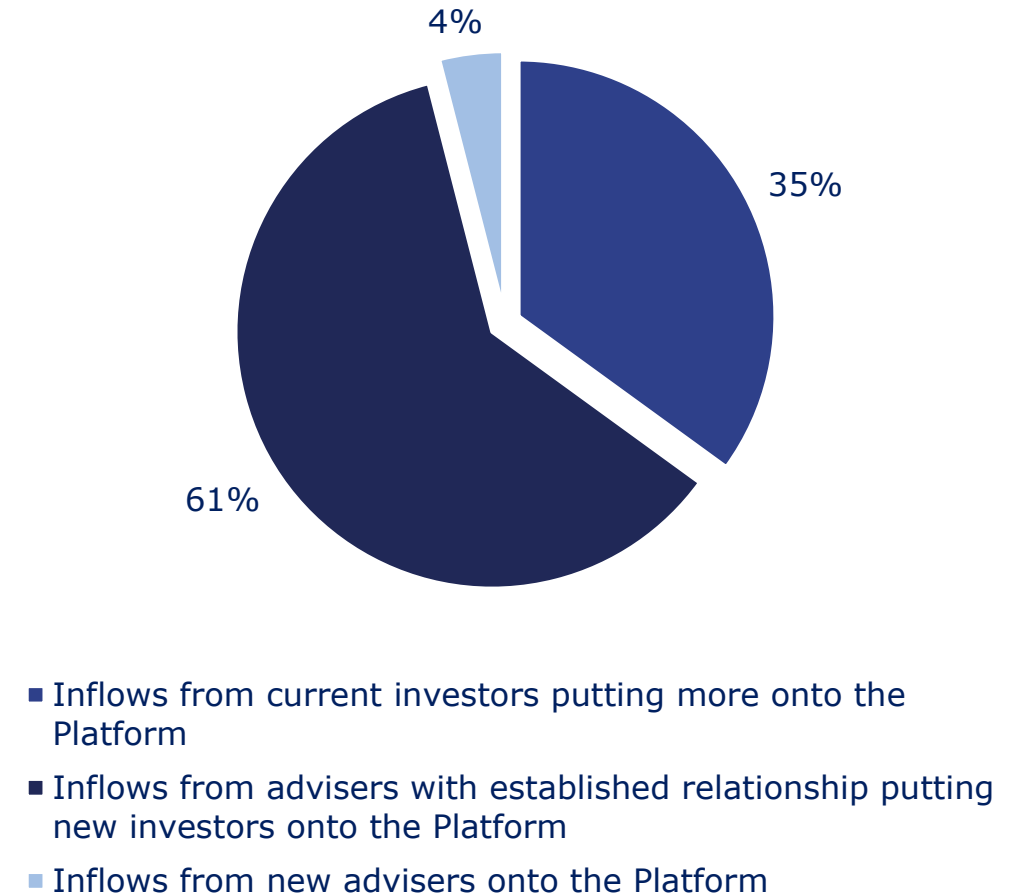


Transact platform - resilient inflows

FY22 was our 2nd highest year ever for net inflows, despite the volatility in asset markets



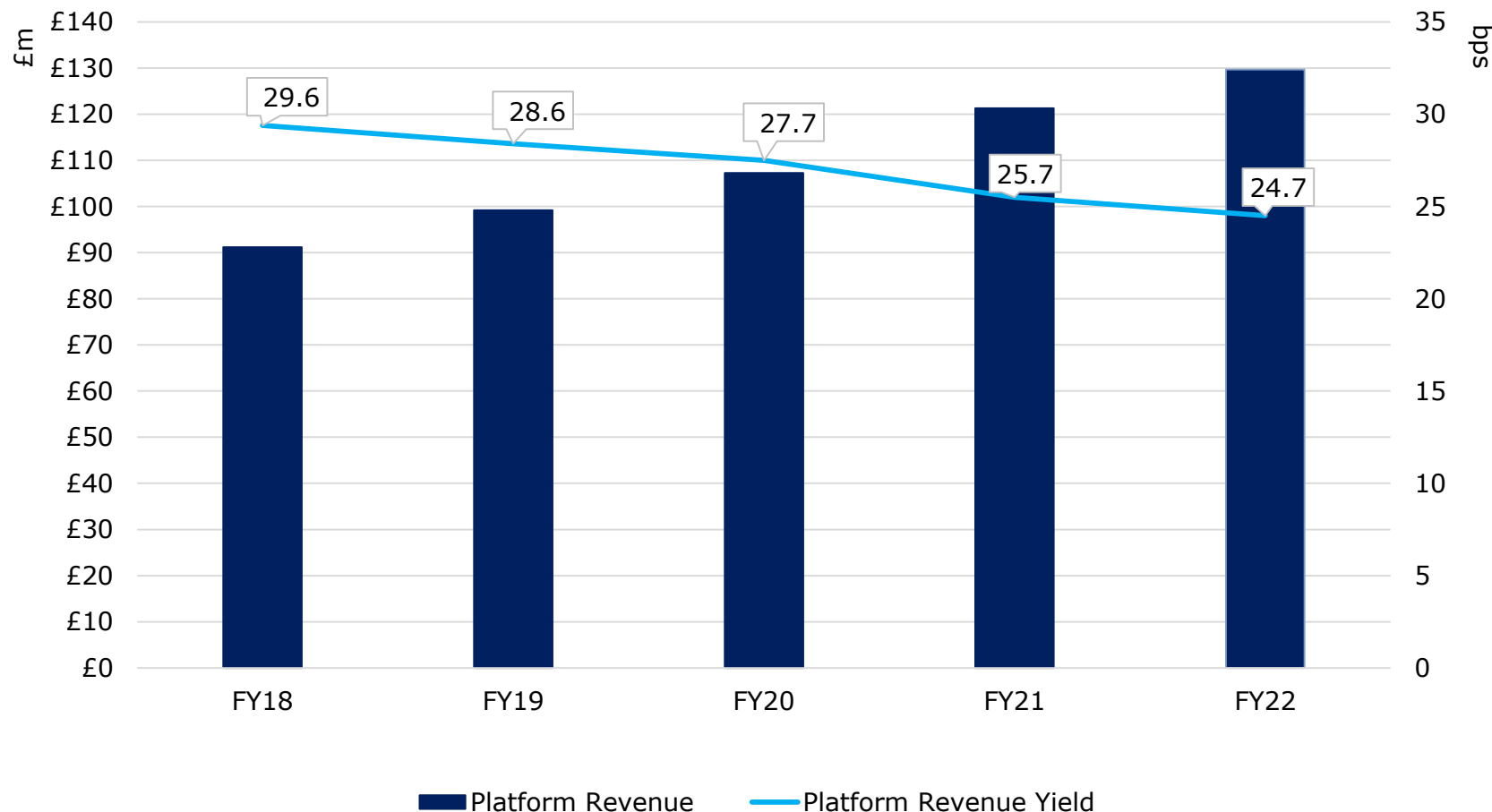
Sources of gross inflows (FY22)



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



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



- The platform revenue yield has decreased over time as we have reduced charges for clients, and grown FUD at the same time

Time4Advice

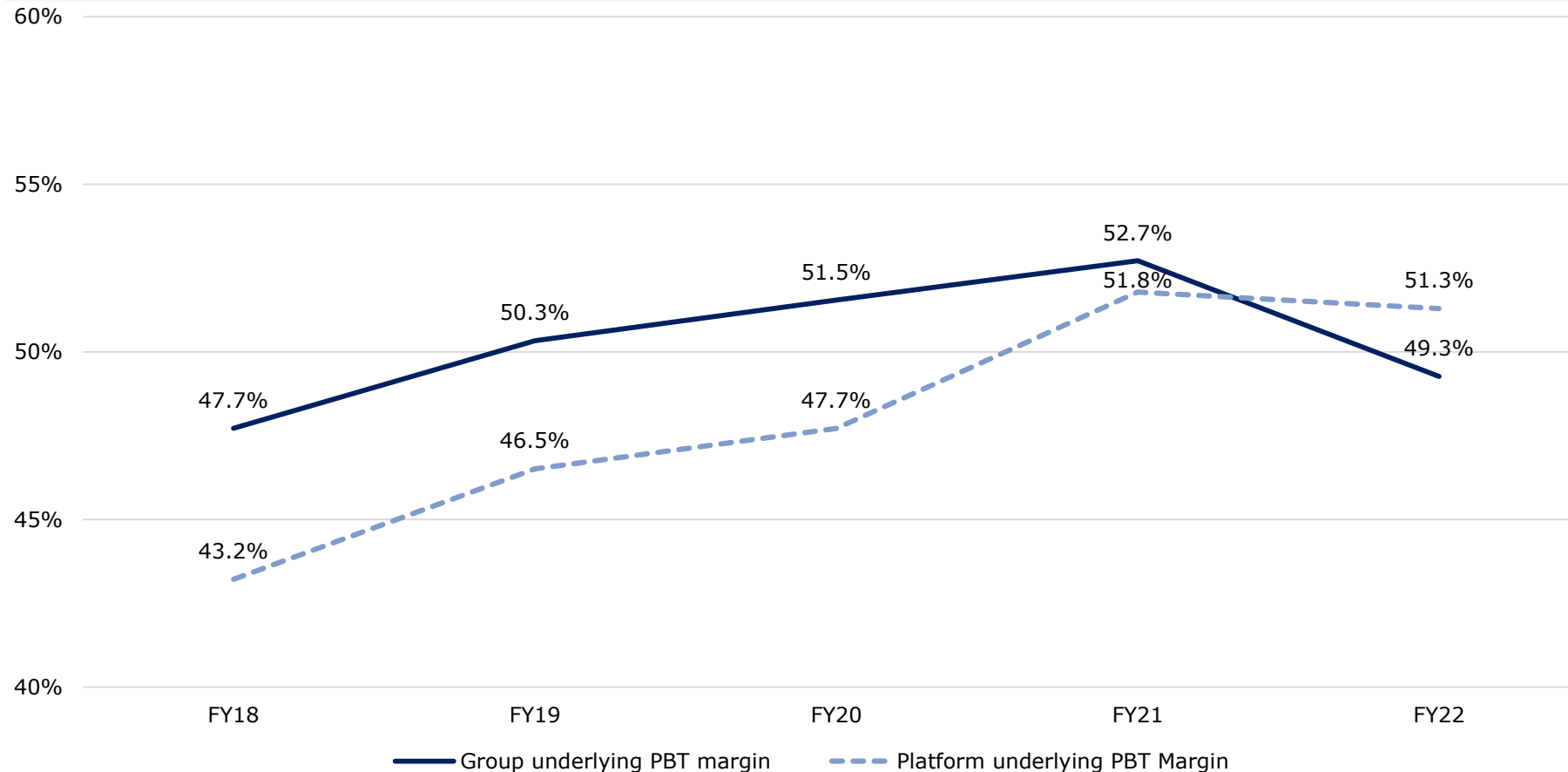


- Time4Advice is an important strategic development to build out CRM software for adviser firms – this will also have a high quality interface with the Transact platform
- Time4Advice's new cloud-based CURO on the Power Platform software is in beta testing with an adviser firm
- The on boarding of signed up adviser firms will commence during H2 2023
- Signed up adviser firms include large and growing consolidators
- T4A revenue of £3.9m for FY22 (FY21: £2.4m), comprising £3.2m of recurring revenue from adviser firms licensed to use CURO (FY21: £2.1m)

Resilient Group underlying PBT margin



Group and Transact platform underlying PBT margin



- The Group underlying PBT margin has reduced from the FY21 level due to increased investment in the business to support future growth