

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 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 business model

Drive growth

Increase number of clients and advisers; and FUD on Transact

Invest in the business and grow earnings

Leading in-house technology platform; controlled costs Strong cash generation and balance sheet

High quality recurring cash generation

Deliver on dividend policy

Annual dividend of 60% to 65% of PAT



IHP Group – our business model delivers growth



Strong FY22 results

Drive growth

- Advisers +5% to
 7.5k; clients +8%
 to 225k
- Net inflows of £4.4bn
- Group revenue +8% to £133.6m

Invest in the business and grow earnings

- Underlying PBT +1% to £65.8m – margin of 49%
- Underlying EPS +2% to 16.3p
- Proprietary technology investment

Maintain cash generation and a strong balance sheet

- Strong cash flows
- Cost control
- Resilient balance sheet

Deliver on dividend policy

- Dividend +2% to 10.2p
- 63% of underlying PAT



Our story so far, and the next phase





- Launched the Transact platform
- Implemented high-touch client service teams
- Proprietary platform technology

Funds Under Direction

£0.0bn \longrightarrow £18bn

Advisers

0 \longrightarrow 5k

Clients

0 \longrightarrow 128k

FY16-FY21



- Cemented our status as one of the leading UK adviser platforms
 - Rapid FUD growth
 - Listed on the LSE in 2018

Funds Under Direction

£18bn £52bn

Advisers

5k 7k

Clients

128k

209k

FY22-FY27



Transact -BlackRock MPS

- Maintain our position as one of the leading UK adviser platforms – with growing FUD, economies of scale, and enhanced shareholder value
- Deliver CURO on the Power Platform, a market leading CRM system from T4A
- Grow the Transact-Blackrock Model Portfolio Service to retain and attract FUD to the platform



The IHP Group Structure

IntegraFin Holdings plc (IHP) (and selected subsidiaries) **IntegraFin Integrated IntegraLife UK** IntegraLife **Time for Advice Financial Application** International Limited (ILUK) Limited (T4A) UK life insurance Specialist CRM **Arrangements Ltd Development Pty** Limited (ILInt) International life software provider for (IFAL) Ltd (IAD) company, which **UK** investment Develops and provides insured insurance company, UK financial advisers company. Provider of maintains the pension wrappers and which provides the the Transact wrap technology behind the Onshore Offshore Investment the Transact Platform Bond. Regulated by service, including Investment Bond. Regulated by the PRA TOM FSA. ISA, and SIPP and the FCA. wrappers. Regulated by the FCA Based in Melbourne, Based in Norwich, UK Based in Douglas, Australia, and Based in London, UK Based in London, UK Isle of Man London, UK



The Transact platform business model



Client Services Teams

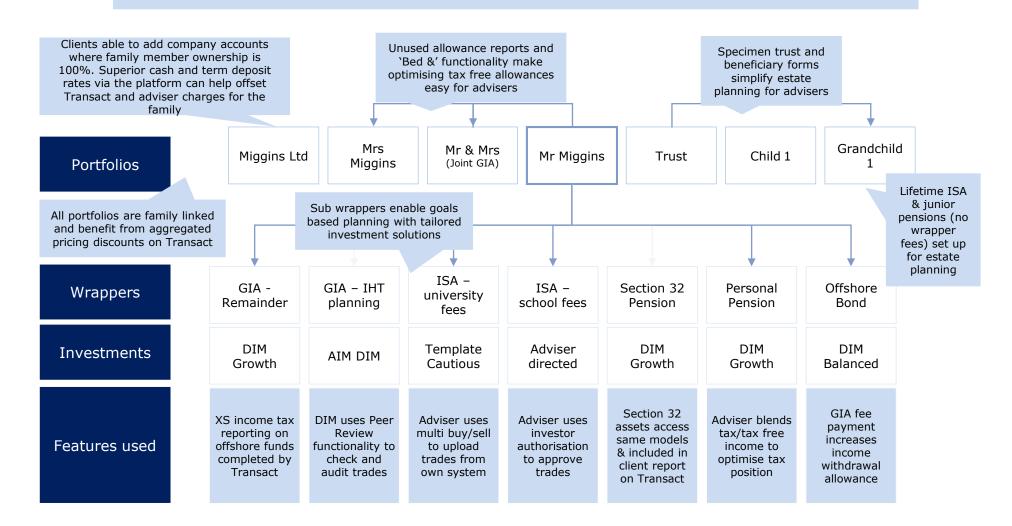
- c200 highly trained client services staff
- Client services staff split into 10 regional teams and allocated to specific advisers
- Dealing with queries across all assets and wrappers
- Strong relationships with adviser firm staff

Proprietary Platform Functionality Reporting **Portfolio Asset** Trade Adviser **Execution** Monitoring Tools Custody Fees **Wide Range of Wrappers Onshore** Offshore **ISAs** GIAs **Pensions Bonds Bonds**



Transact - making financial planning easier

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





Our award winning service proposition



CoreData 2022 Overall average Score – Platform functionality						
Rank	Rank Platforms					
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

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

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.

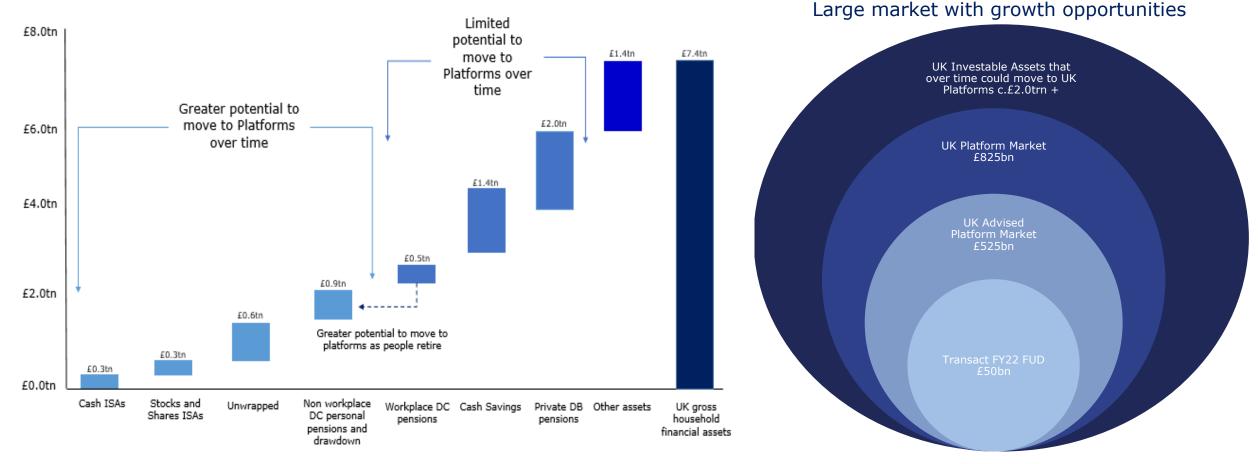
2021

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





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



Total numbers of registered advisers

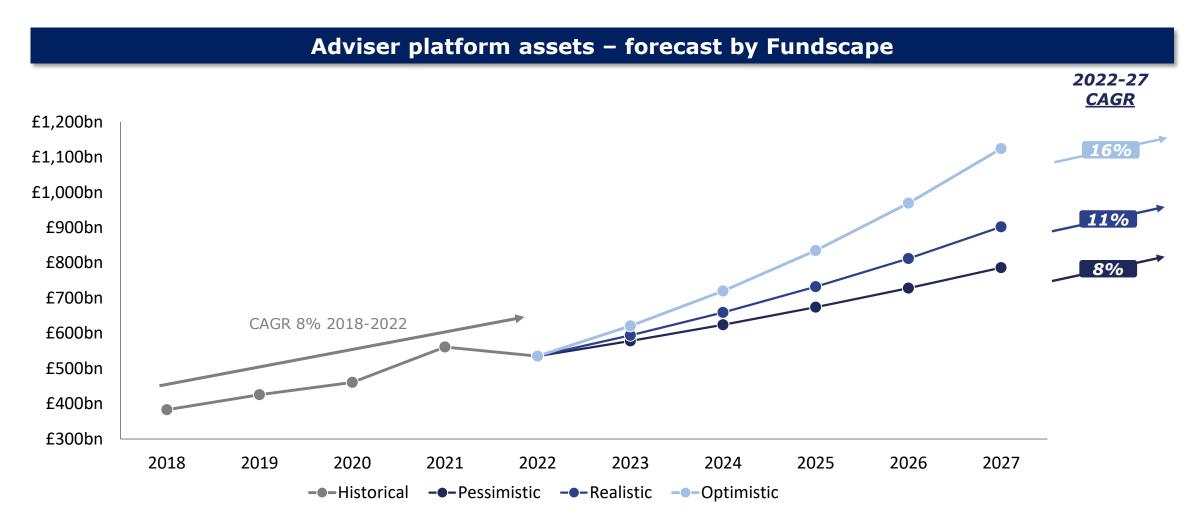
c.22k

Tied/restricted financial advisers eg SJP, banks Contestable financial advisers – typically high quality independent, small to medium size firms **c.7.5k** (FY21: 7.2k)

Transact registered advisers



Forecast adviser platform market growth



Source: Fundscape Q3 2022 Report 14



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

Source: Fundscape Q422 March



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	FNZ
3	Transact	£3.8bn	Proprietary
4	AJ Bell Investcentre	£3.2bn	GBST Financial Services Technology
5	Fidelity	£2.3bn	bravura
6	Quilter	£2.2bn	FNZ
7	Abrdn	£1.6bn	FNZ
8	Advance by Embark	£1.4bn	FNZ
9	7IM	£0.8bn	Proprietary
10	Raymond James	£0.7bn	GBST Financial Services

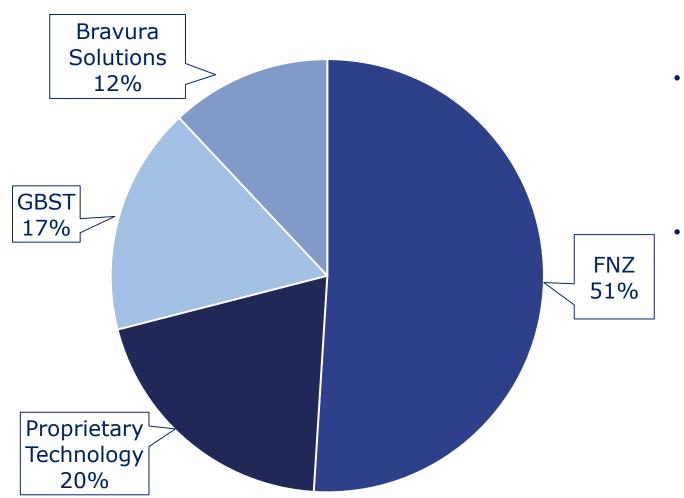
	Platform	FUD as at 31.12.22	Percentage of advised market FUD	Technology Provider
1	Abrdn	£68.5bn	13%	FNZ
2	Quilter	£67.0bn	12%	FNZ
3	Transact	£52.1bn	10%	Proprietary
4	Aegon (ARC & Cofunds)	£49.5bn	9%	GBST Financial Services Technology
5	AJ Bell Investcentre	£46.0bn	9%	GBST Financial Services Technology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

Source: Company research & Fundscape

Q422 March



UK adviser platform technology providers market share by AUM



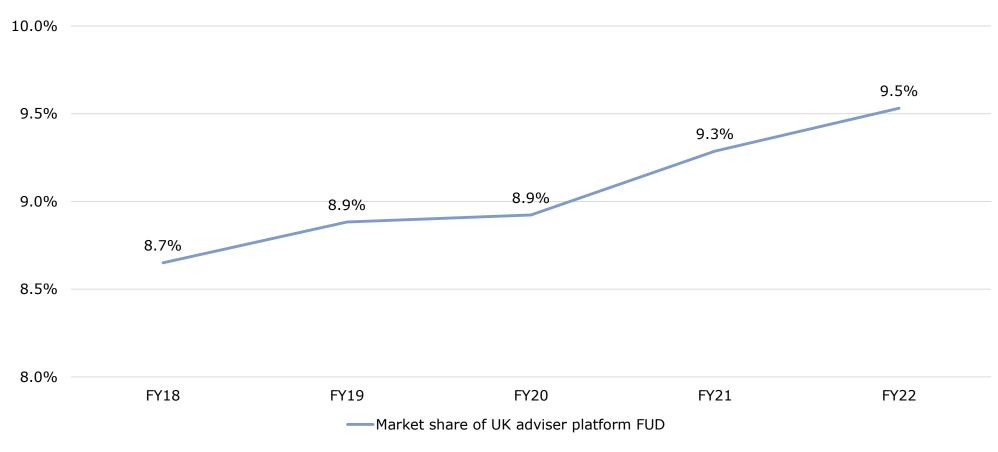
 The Transact platform is run on our own proprietary technology, giving us greater control of development.

 Most UK adviser platforms outsource the underlying technology for their platforms to one of three main providers: FNZ, GBST and Bravura Solutions.

Source: Platforum Issue 53 March 2023



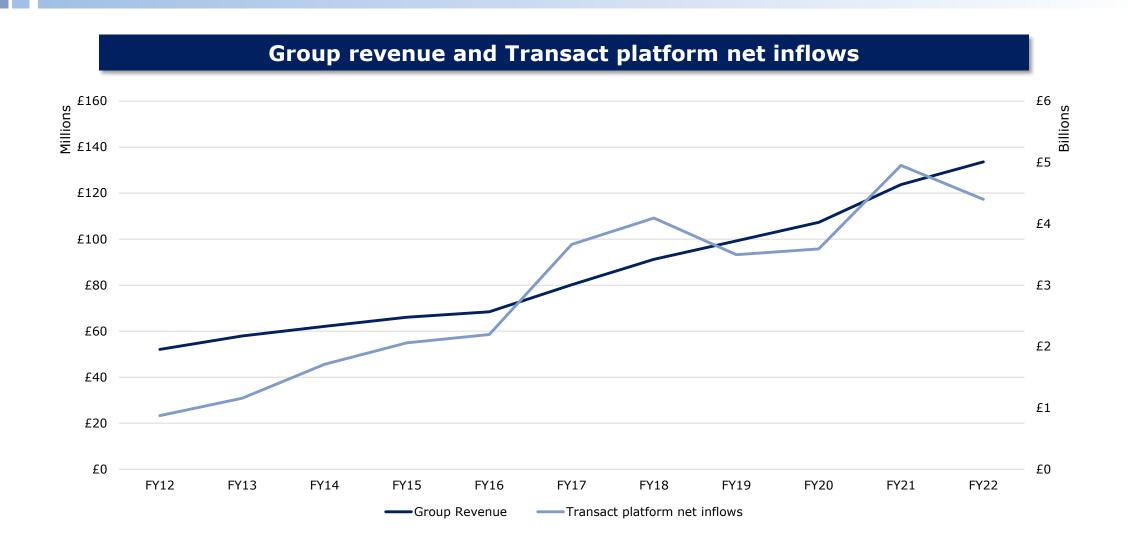
Transact platform – growing market share in the UK adviser platform market



Source: Fundscape Q322 November 18



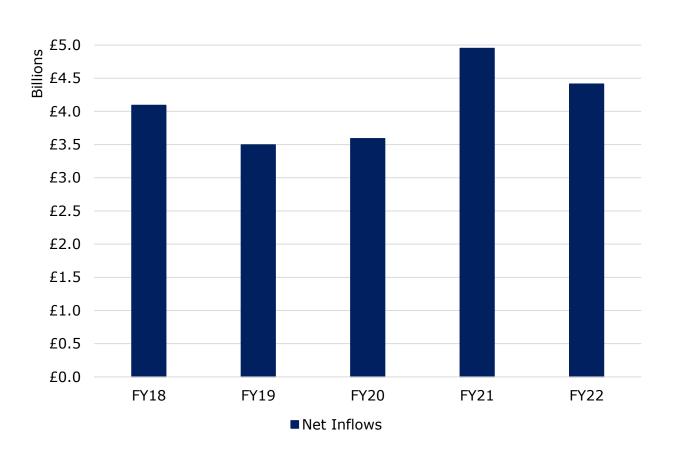
Group revenue and net inflows over time



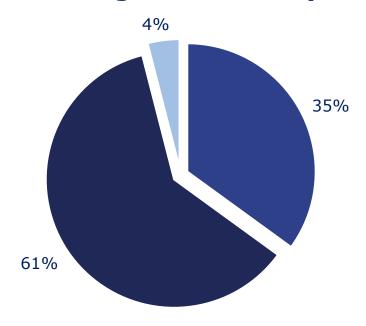


Transact platform - resilient inflows

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



Sources of gross inflows (FY22)

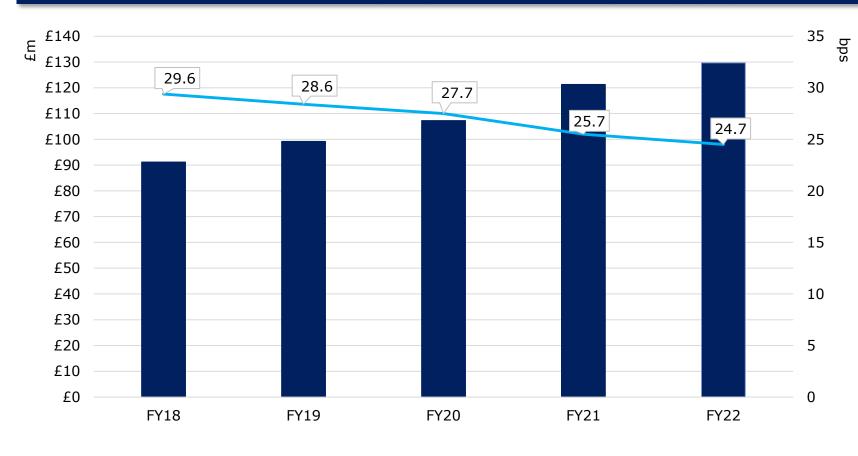


- Inflows from current investors putting more onto the Platform
- Inflows from advisers with established relationship putting new investors onto the Platform
- Inflows from new advisers onto the Platform



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

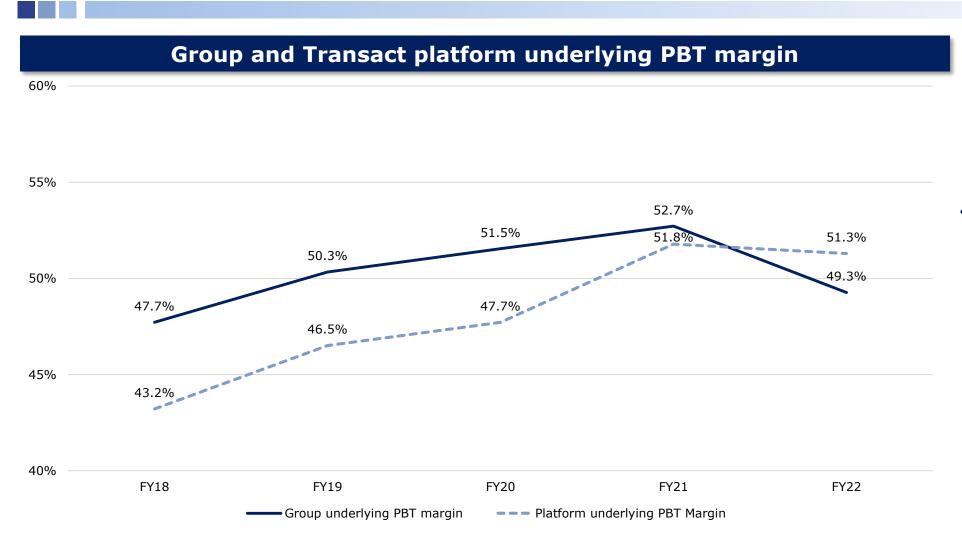


Time4Advice

- 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



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