

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 and an FCA Consumer Duty aligned platform



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

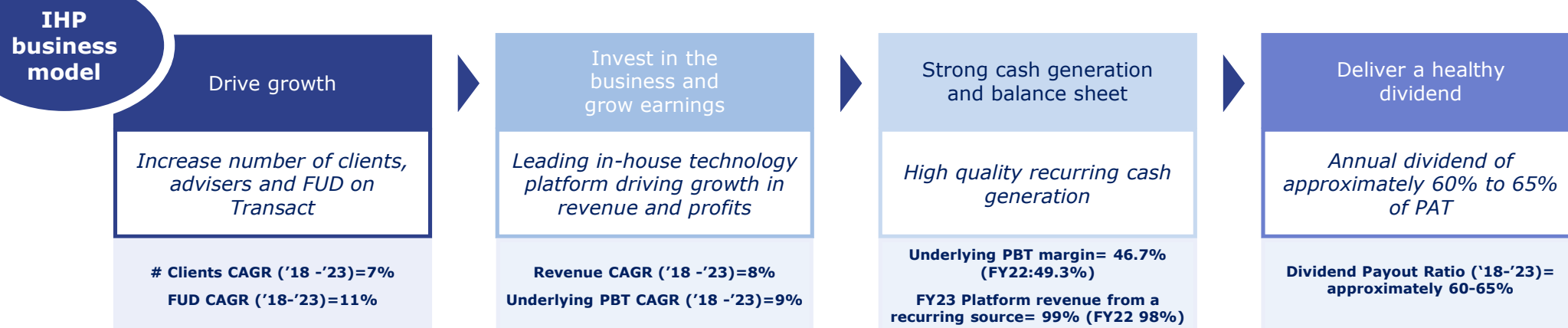
We remain focused on our clear strategy and business model

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, with a Consumer Duty aligned adviser platform
- 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 for the Transact investment platform

Our model is simple:



Our business model is delivering growth



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

FY23
results

Drive growth

- Advisers +2% to 7.7k; clients +2% to 230.3k
- Net inflows of £2.7bn
- Group revenue +1% to £134.9m
- Continue to gain market share

Invest in the business and grow earnings

- Underlying PBT of £63.0m – margin of 46.7%
- Underlying EPS 15.2pps
- Proprietary technology investment that will deliver enhanced platform operational leverage

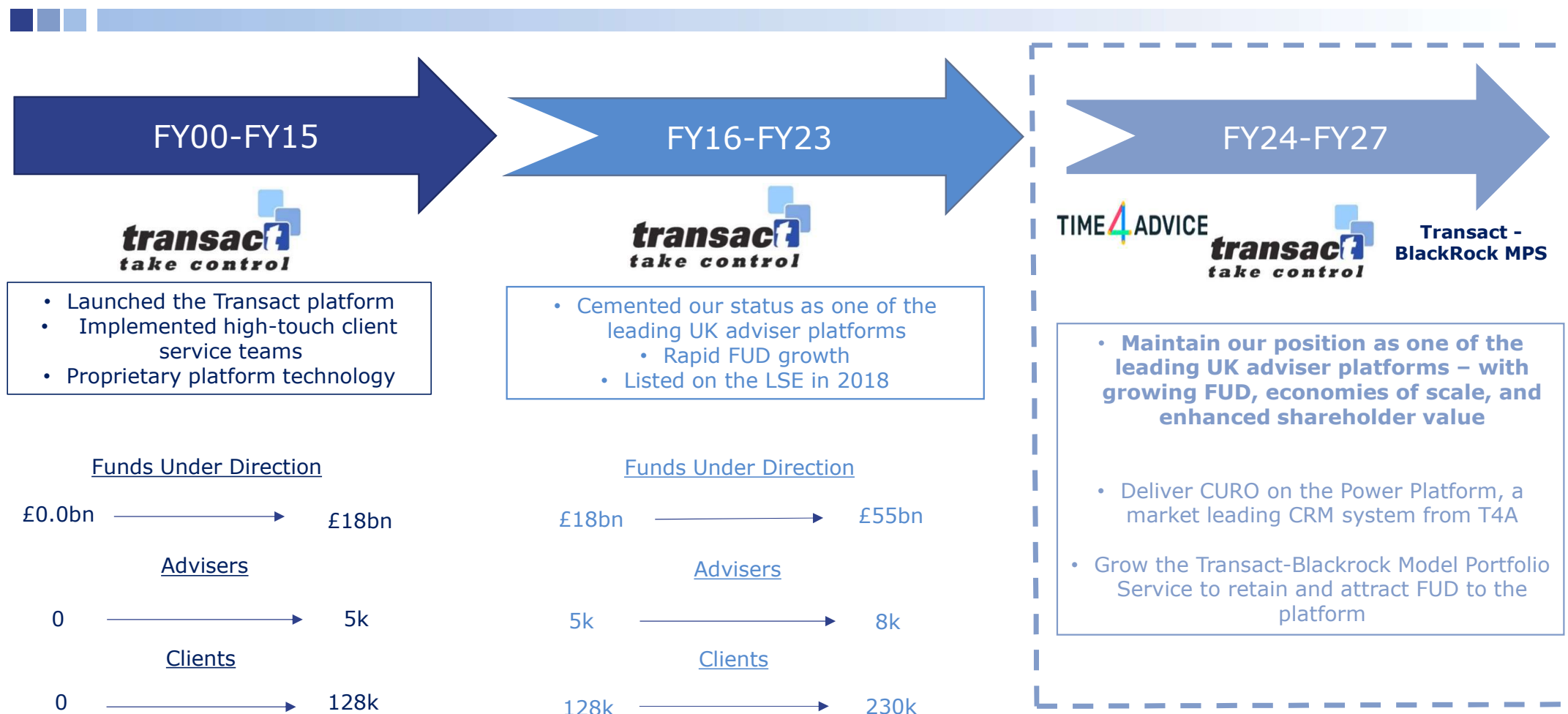
Maintain cash generation and a strong balance sheet

- Strong cash flows
- Cost management
- Resilient balance sheet with no debt

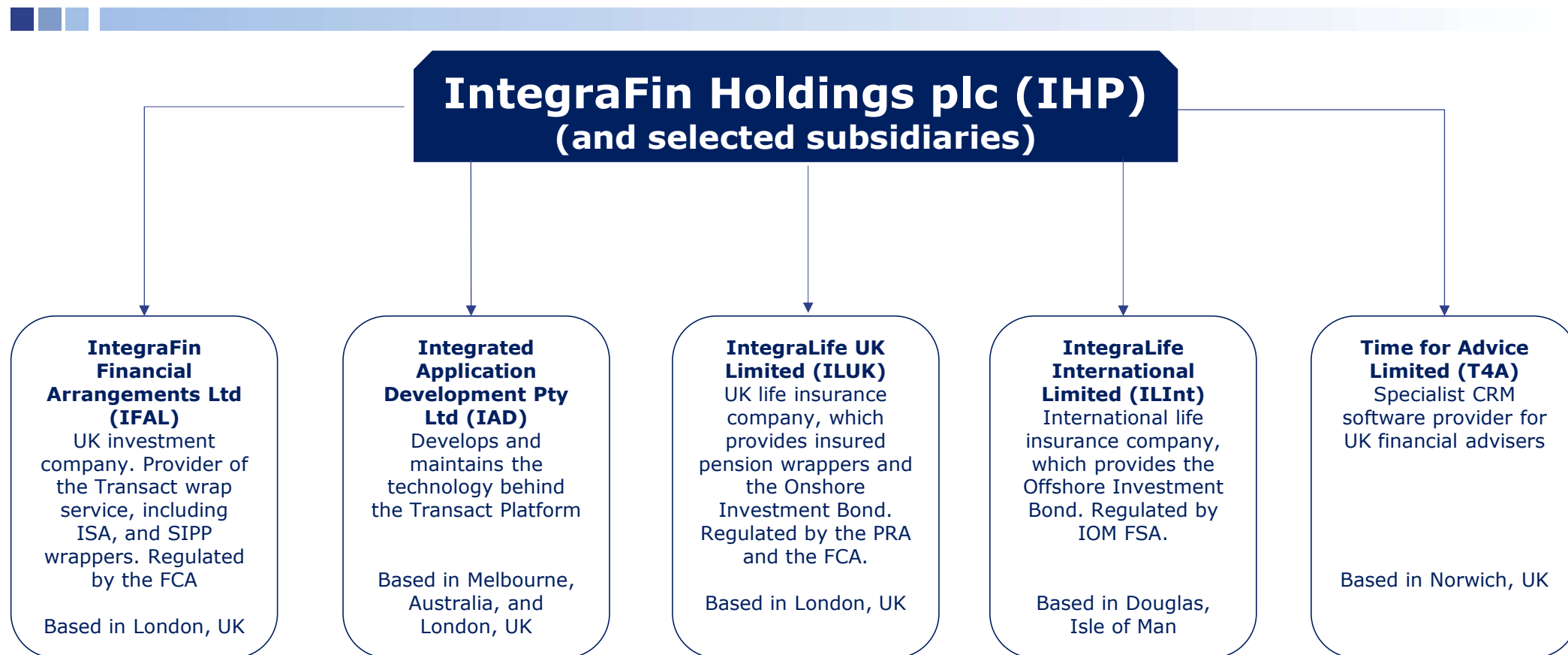
Deliver on dividend policy

- Total dividend for FY23 of 10.2pps

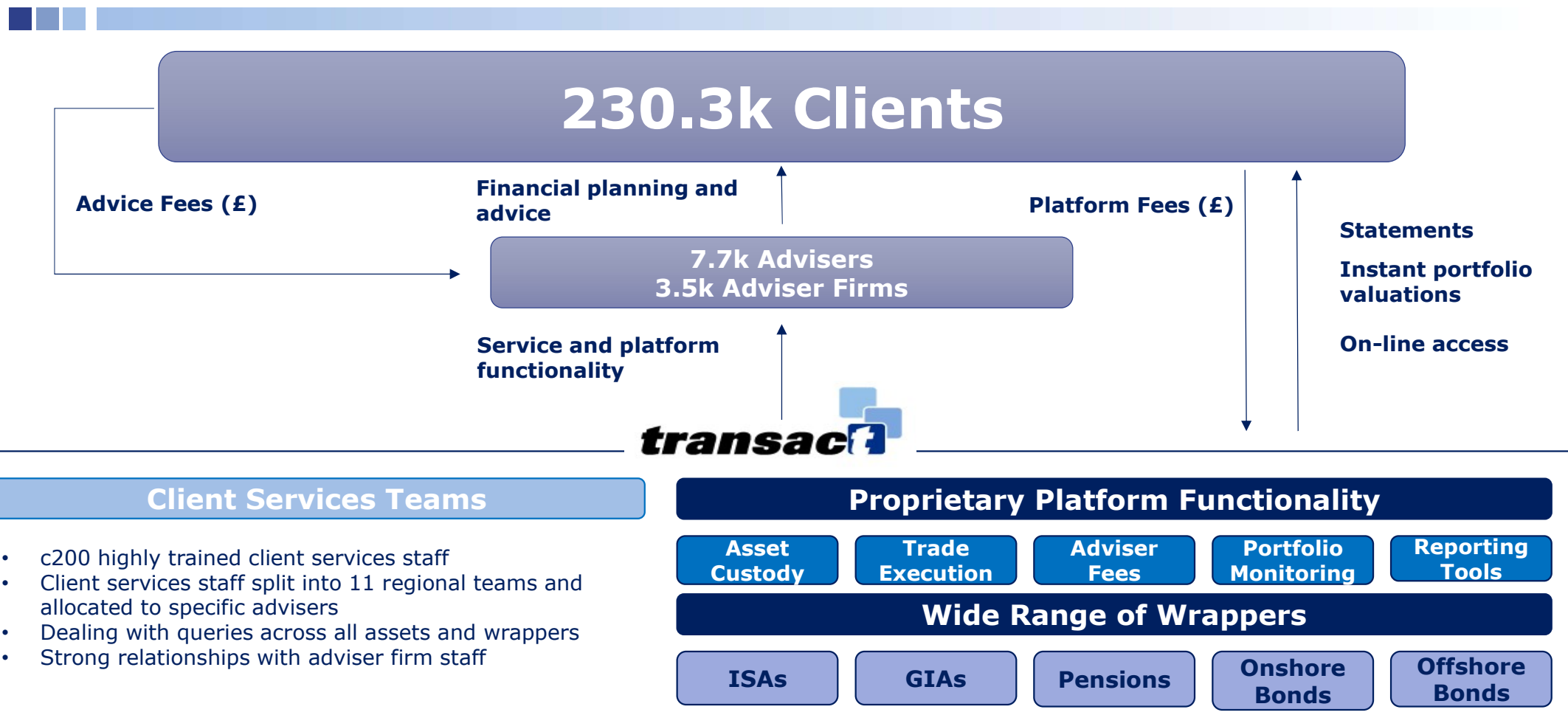
Our story so far, and the next phase



The IHP Group Structure

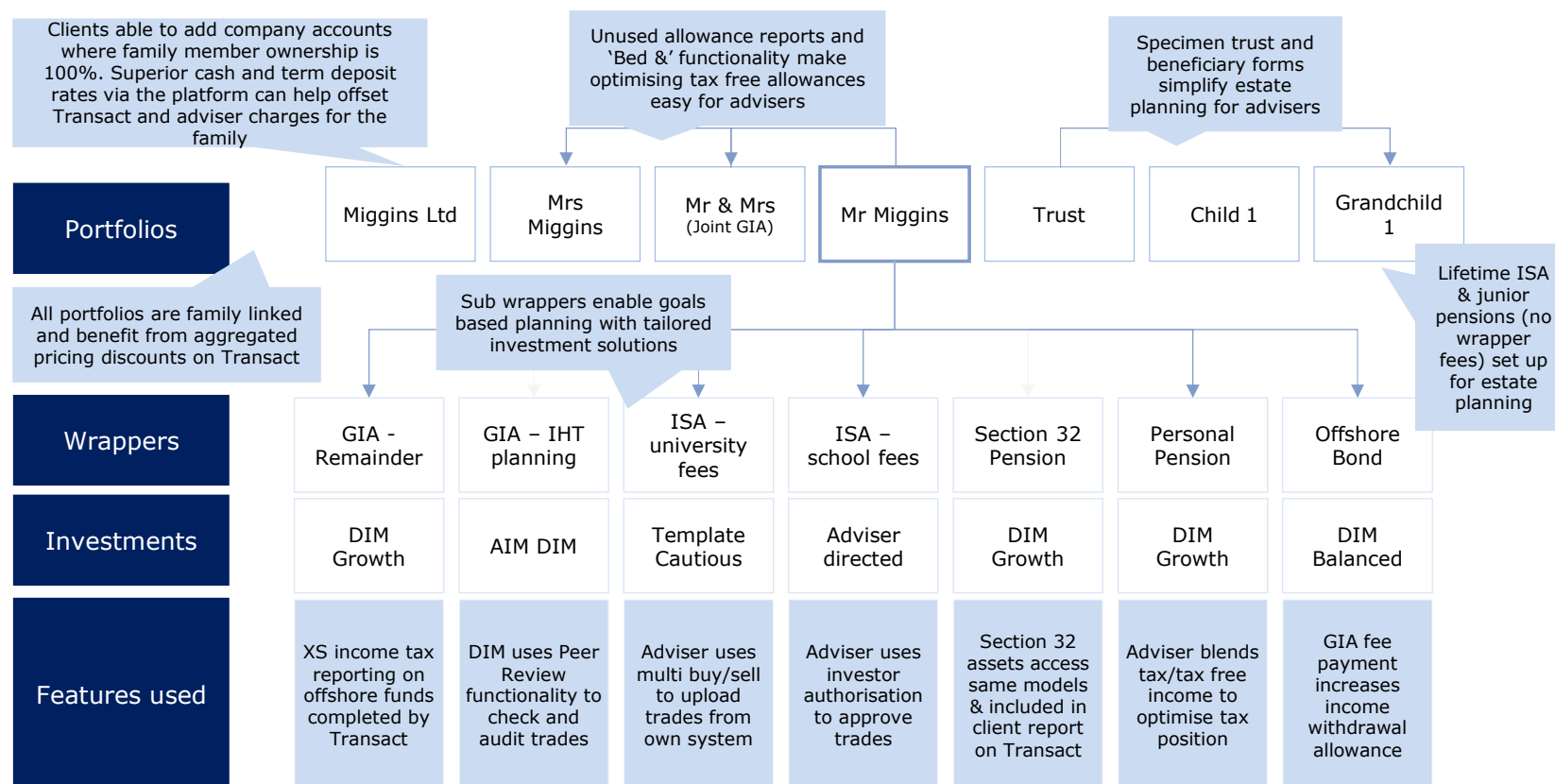


The Transact platform business model















Transact - making financial planning easier

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



Transact's award-winning service proposition

- Maintained the title of 'Best Large Platform' - CoreData 2023*
- Schroders Platform of the Year 2023
- Professional Adviser Awards 2024 – 'Best Platform for Advisers'
- Schroders Leading Platform for Discretionary Management 2023
- Platform – highest satisfaction rating from primary users (91%)**

	Investment Trends (>£25bn FUD)***	CORE DATA research Category: Large Platform (>£30bn FUD)
2023		
2022		
2021		
2020		
2019		
2018		

***Transact has derived platform size using Fundscape data

CoreData 2023 Overall average Score – Large Platform functionality		
Rank	Platforms	Score
1 st	Transact	8.4
2 nd	Abrdn (Wrap and Elevate)	8.1
3 rd	Quilter	8.0
4 th	Fidelity Adviser Solutions	8.0
5 th	Nucleus Financial Platforms group (James Hay Online and Nucleus Wrap)	7.9
6 th	Aviva	7.7
7 th	AJ Bell	7.0
8 th	Embark	6.7

Source: *Investment Trends 2023 UK Adviser Technology & Business Report 2023 & CoreData UK Investment Platform Study 2023 & **Platform UK Adviser Platform Selection Guide – August 2023 assets

A short history of the IHP Group

A large, dark blue arrow pointing downwards, indicating the flow of time from the 1990s to the mid-2000s.

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 consisting of several colored segments (dark blue, light blue, grey).

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

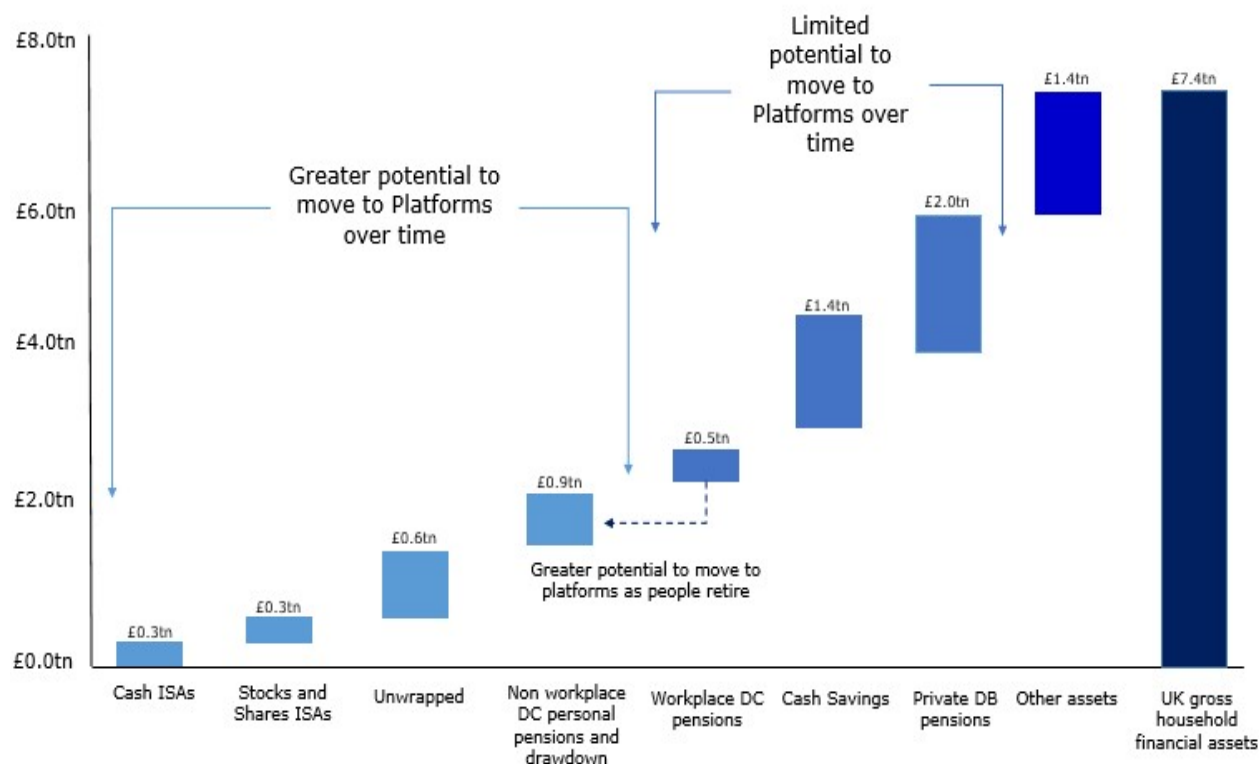
Transact Platform Funds Under Direction reached £50bn for the first time. Group PBT reached £63m. Adviser software firm T4A was acquired.

2022

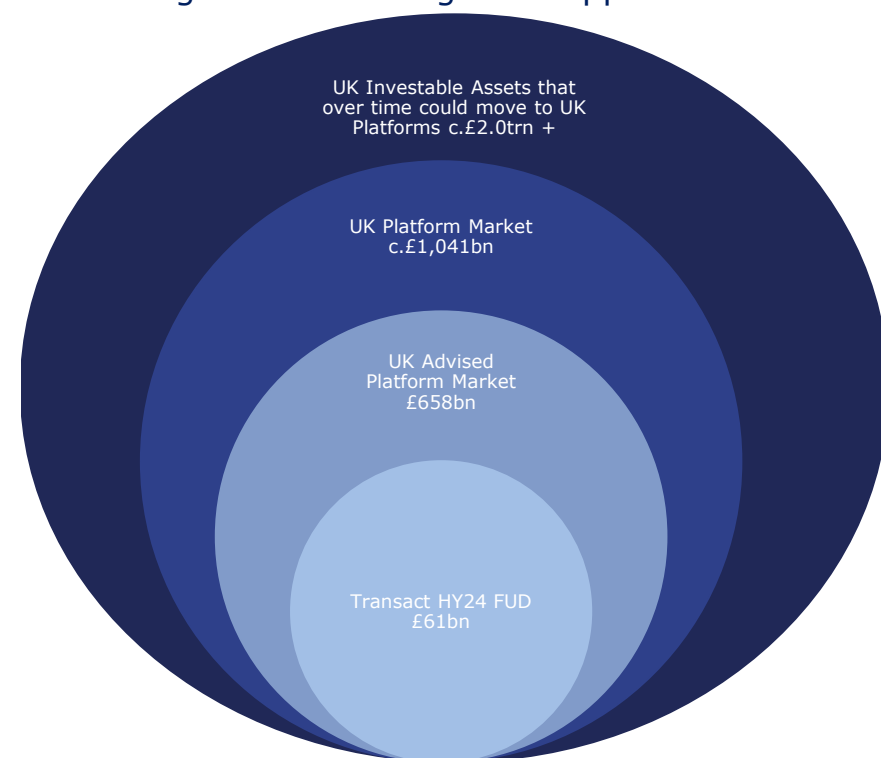
Launched the Transact - Blackrock Model Portfolio Service.

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

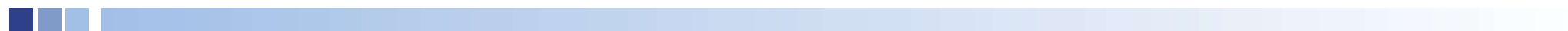


Large market with growth opportunities

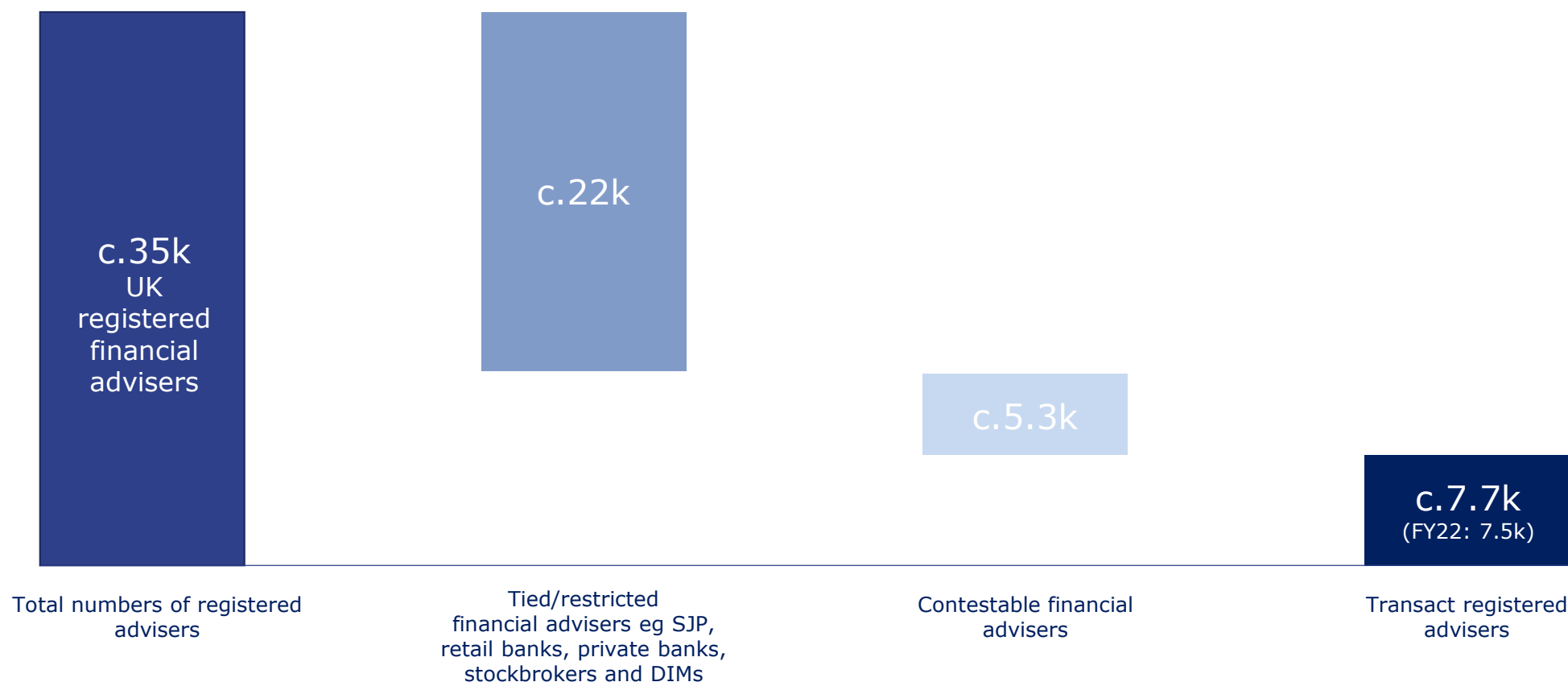


Source: Company research & Fundscape Q124 May

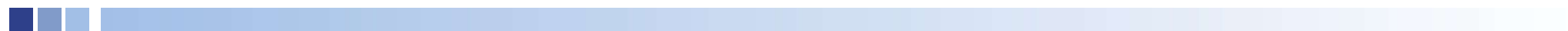
We continue to increase the number of registered advisers on Transact, whilst also gaining greater 'share of adviser wallet'



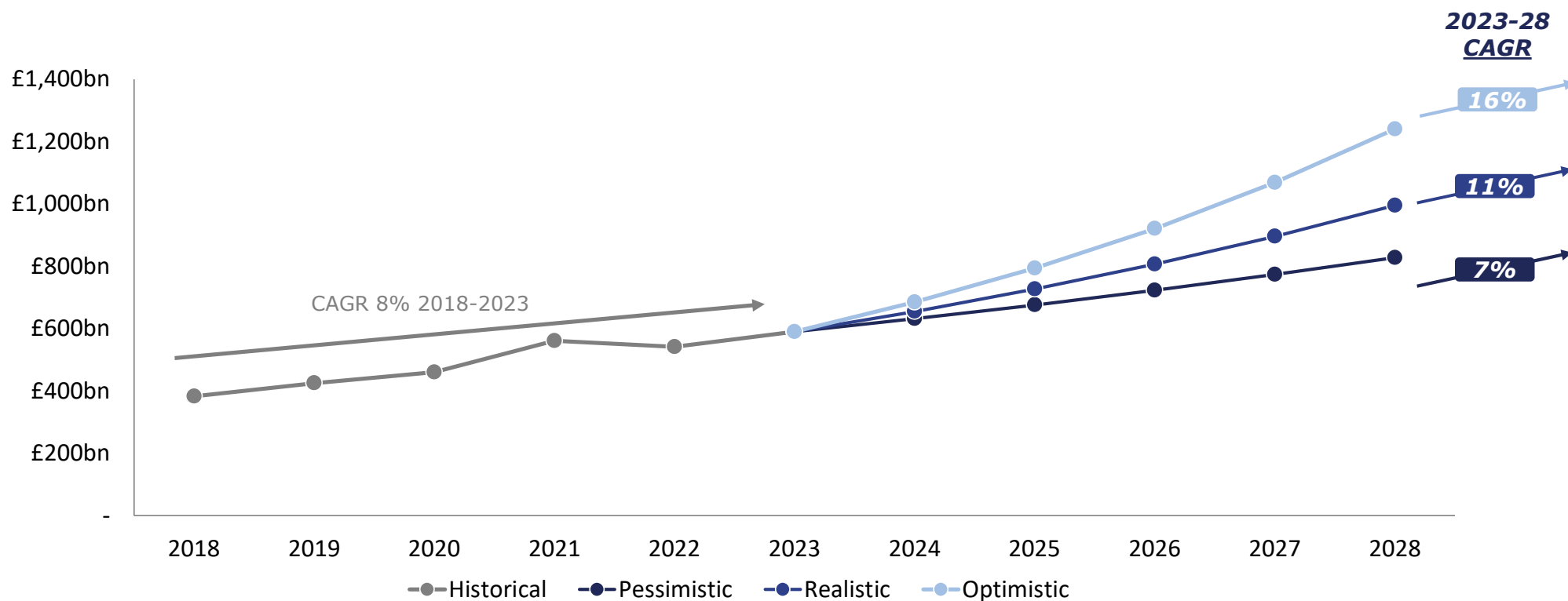
There are c.35k registered financial advisers in the UK – we estimate c.13k is contestable



We are gaining market share, in a market with solid growth forecasts











Adviser platform assets – forecast by Fundscape



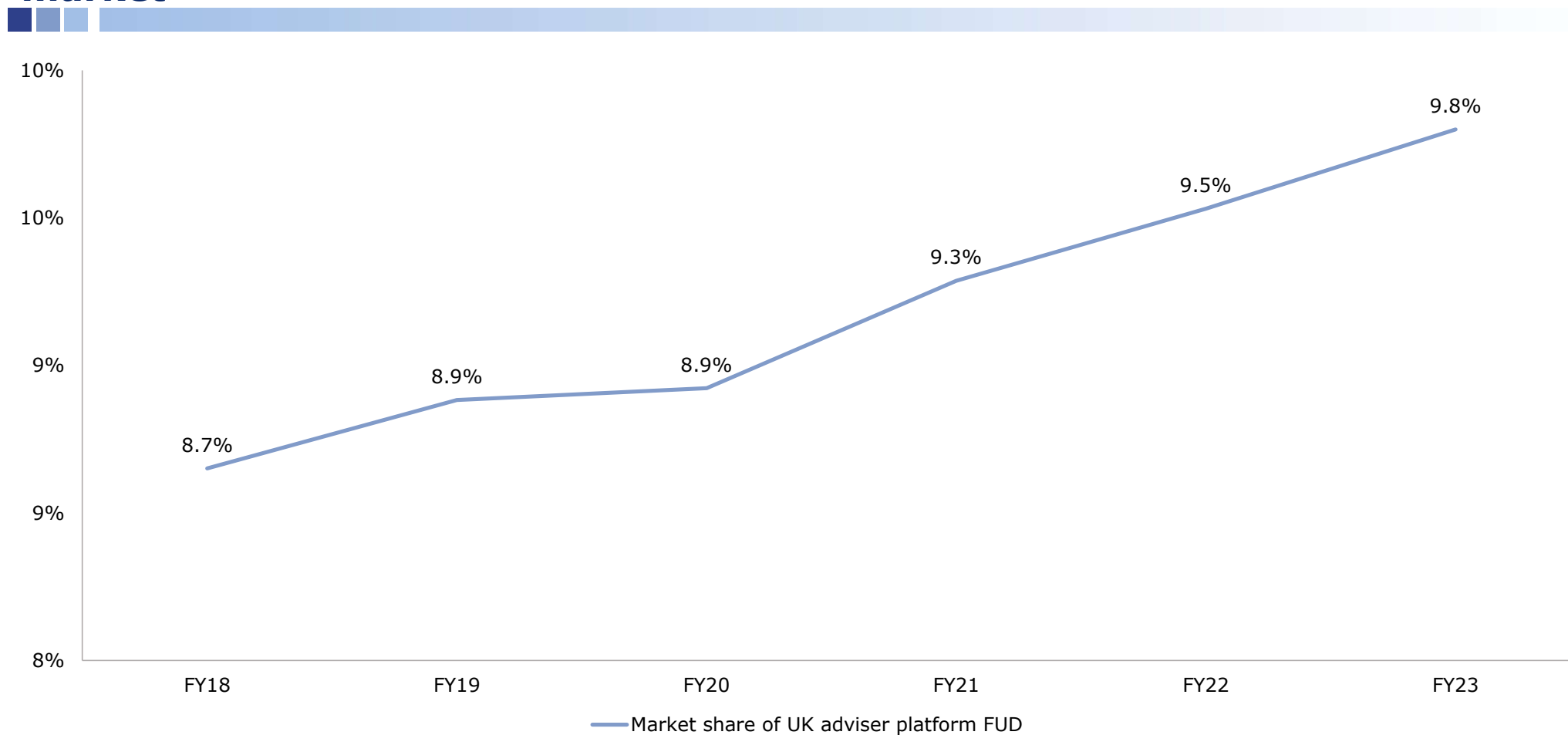
Transact is one of the largest in the UK adviser platform market



	Platform	FUD as at 31.03.24 (latest available)	Technology Provider
1	Nucleus	£89.1bn	
2	Quilter	£77.8bn	
3	Abrdn	£72.5bn	
4	Transact	£61.0bn	Proprietary
5	AJ Bell Investcentre	£53.4bn	
6	Aegon	£51.6bn	
7	Fidelity	£51.6bn	
8	Aviva	£47.1bn	
9	Scottish Widows	£30.0bn	
10	True Potential	£29.4bn	Proprietary

- Our award-winning service and Consumer Duty aligned proposition has helped us become one of the largest adviser platforms in the UK
- Transact's growth in FUD, clients and advisers is wholly organic
- Our proprietary technology is a key differentiator as we continue to grow

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

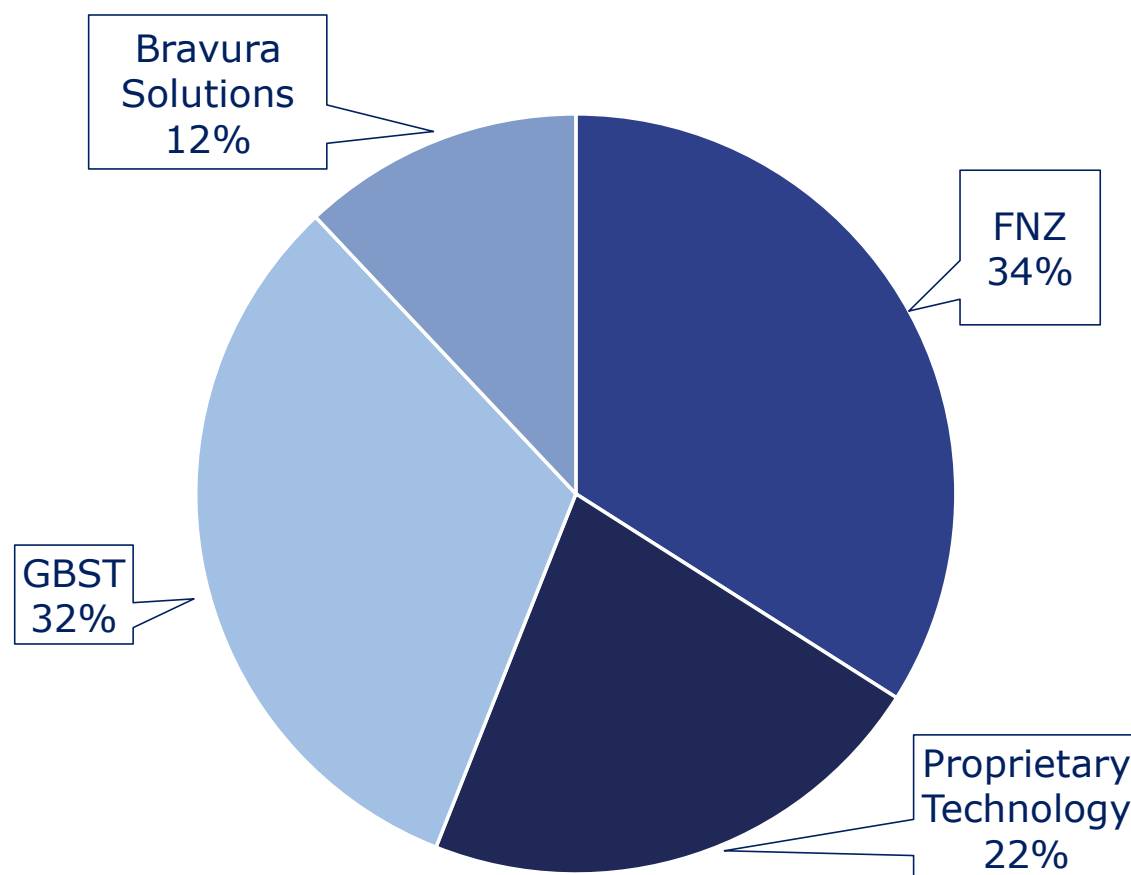


Transact had the 3rd highest net inflows across all adviser platforms in Q2 FY24



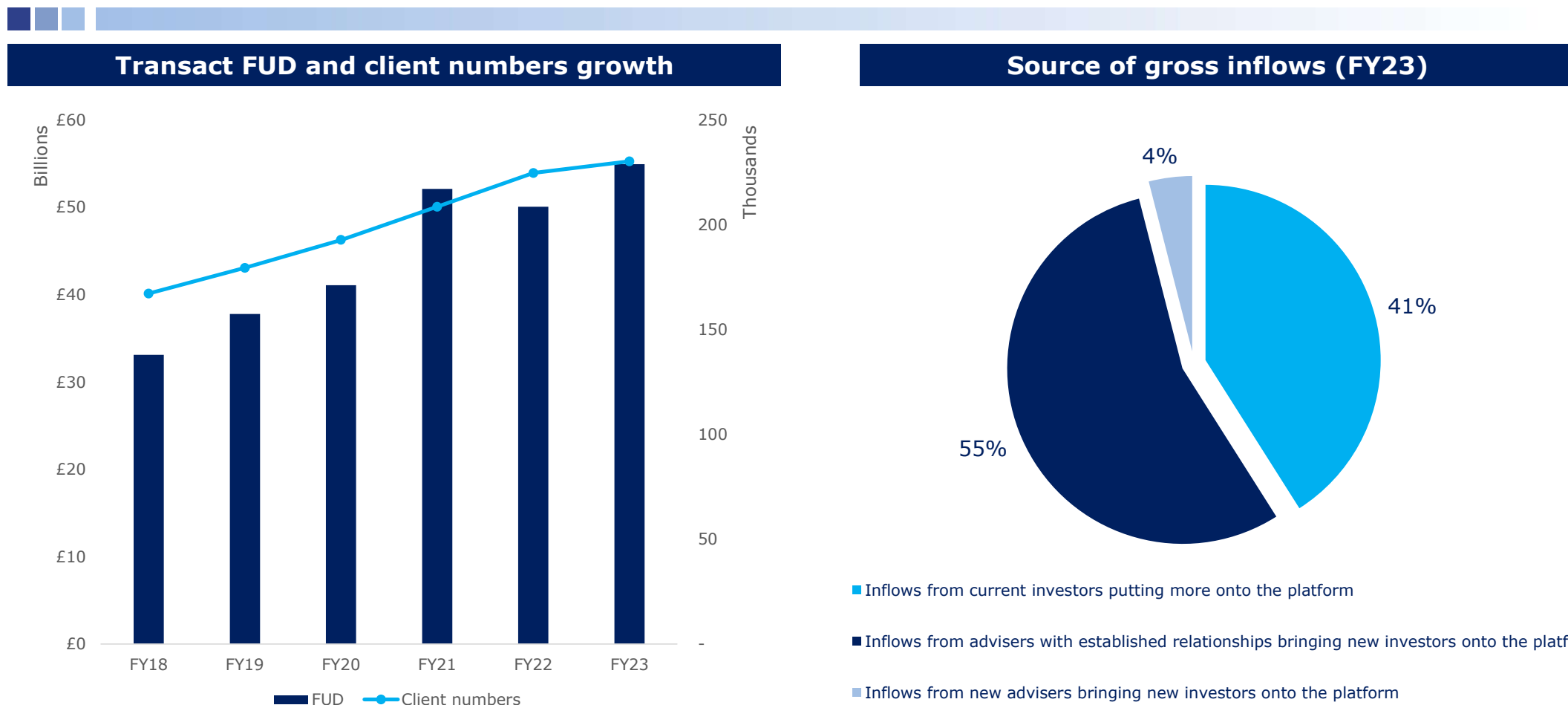
TOP 5 ADVISER PLATFORMS BY NET INFLOWS – Q2 FY24		
1	Aviva	£1,048m
2	Quilter	£1,034m
3	Transact	£790m
4	AJ Bell	£600m
5	True Potential	£579m

UK adviser platform technology providers market share by AUM



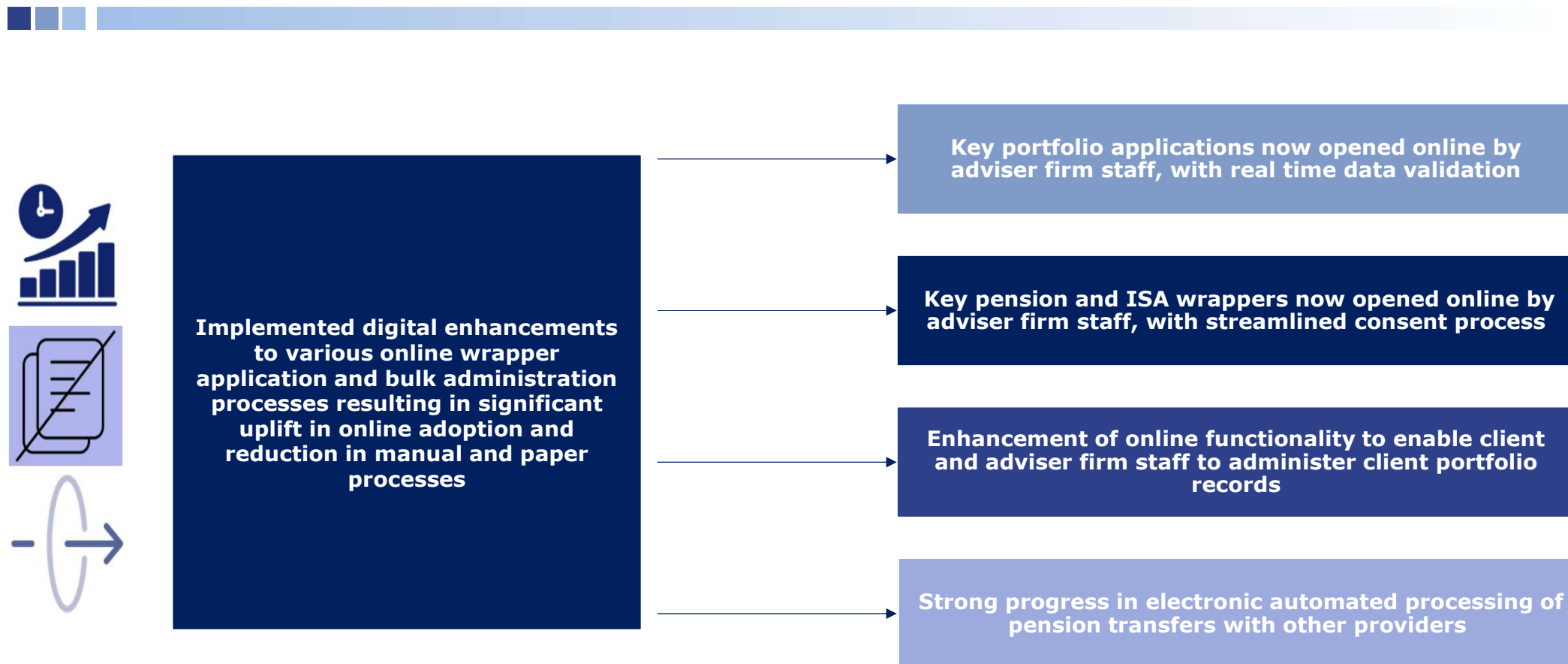
- The Transact platform is run on our own proprietary technology, giving us greater control of development.
- Most UK adviser platforms outsource the underlying technology for their platforms to one of three main providers: FNZ, GBST and Bravura Solutions.

Resilient growth of the Transact platform



(1) Reduction in client numbers (4.2k) in Q2 FY23 due to an ongoing review (to improve platform efficiency) of portfolios with small residual balances

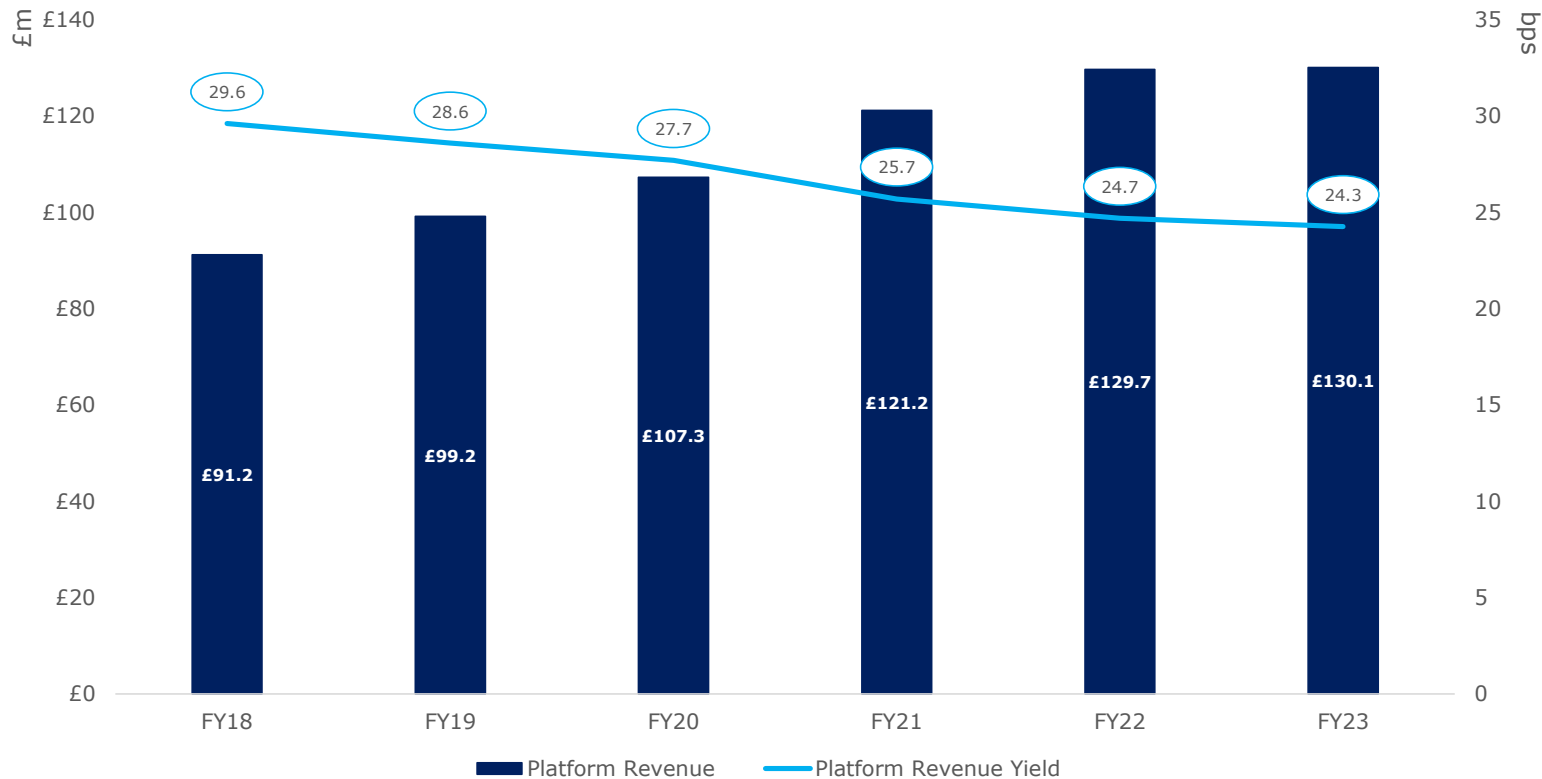
The Transact Platform digitalisation plan is progressing well



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
- Signed up adviser firms include large and growing consolidators
- T4A revenue of £4.8m for FY23 (FY22: £3.9m), comprising £4.0m of recurring revenue from adviser firms licensed to use CURO (FY22: £3.2m)

A Consumer Duty aligned platform



Treatment of client cash interest

- Market leading interest rate earned on client cash is fully paid onto clients - interest rate paid on pooled client cash (instant access) for August 2024 was 5.0%
- Client cash is actively managed using 7 highly rated UK banks
- 8% of total Transact platform FUD is held by clients as cash

Fair value

- Clear charging model and value for money pricing structure
- Initiatives undertaken to close extremely low value portfolios

Products and Services

- One of the largest range of wrappers in the platform market
- Leading range of third-party DIMs (>120 DIMs, >1,000 models)
- Simplified literature and communications to clients

IntegraFin is well placed for future growth



Our Market	<ul style="list-style-type: none">• A growing UK adviser platform market with significant investable assets still remaining off platform
Our Technology	<ul style="list-style-type: none">• Best in class proprietary technology provides control over functionality and future platform development
Our Service	<ul style="list-style-type: none">• Rated the UK's #1 large adviser investment platform for 12 consecutive years
Our Core Product	<ul style="list-style-type: none">• Transact platform with over £61bn in FUD, high recurring revenue, and solid cash generation
Our Platform Clients	<ul style="list-style-type: none">• Over 231k clients, with a 95% client retention rate, supported by over 7.8k high quality regulated UK financial advisers