



Results Presentation

Full year ended 30 September 2024

The Group continues to deliver strong financial
and operational progress

Agenda

A horizontal decorative bar consisting of three small dark blue squares followed by a long bar with a gradient from dark blue to light blue.

1. Group FY24 highlights






2. Financial update

3. Business update

4. Summary

5. Q&A

Group highlights FY24

				
Record FUD levels	Strong net inflows	Financial momentum	Award winning proposition	Positive consumer outcomes
<p>Period-end FUD on the Transact platform at a record high of £64.1bn, up 17% over the year</p>	<p>Net inflows of £2.5bn in FY24, at 4.5% of opening FUD, despite macro-economic challenges in the UK</p>	<p>IHP group has delivered growing underlying PBT of £70.6m (FY23: £63.0m) and an underlying PBT margin of 49% (FY23: 47%)</p>	<p>Best Platform Provider (AUM over £40bn) and Leading Platform for Discretionary Management at the Schroders Platform Awards 2024</p>	<p>We continue to deliver positive outcomes, including passing on all client interest earned on client cash balances</p>

Established business model delivering growth

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

FY24 results

Drive growth

- Advisers +5% to 8k; clients +2% to 235k
- Net inflows of £2.5bn
- Group revenue +7% to £144.9m

Invest in the business and grow earnings

- Underlying PBT +12% to £70.6m – underlying margin of 49%
- Underlying EPS +7% to 16.2pps
- Proprietary technology investment is delivering enhanced platform efficiencies

Generate cash and maintain a strong balance sheet

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

Deliver on dividend policy

- Total dividend for FY24 of 10.4pps

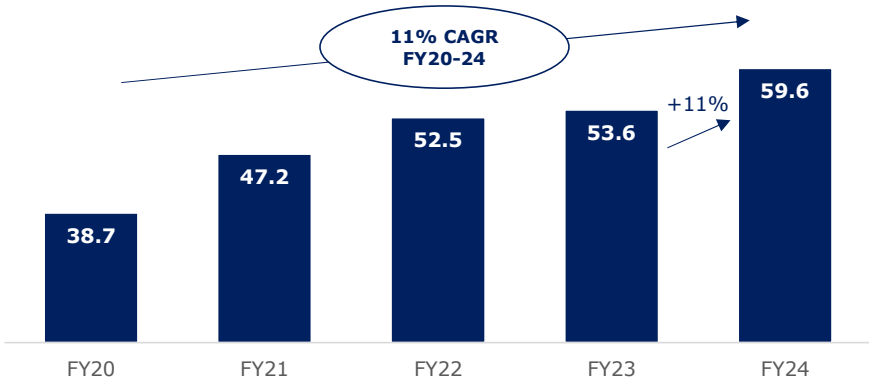
Financial update



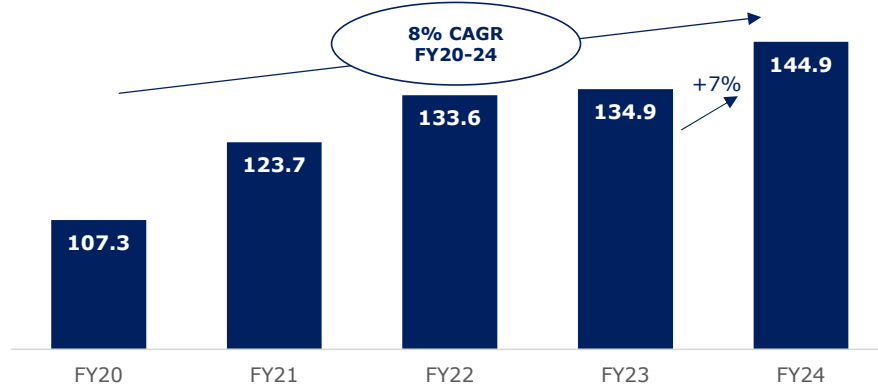
Group Financial KPIs FY24



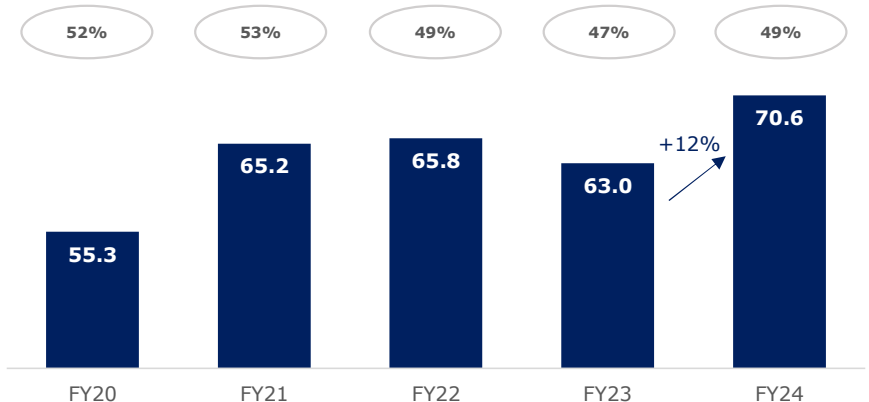
Average daily Funds Under Direction (£bn)



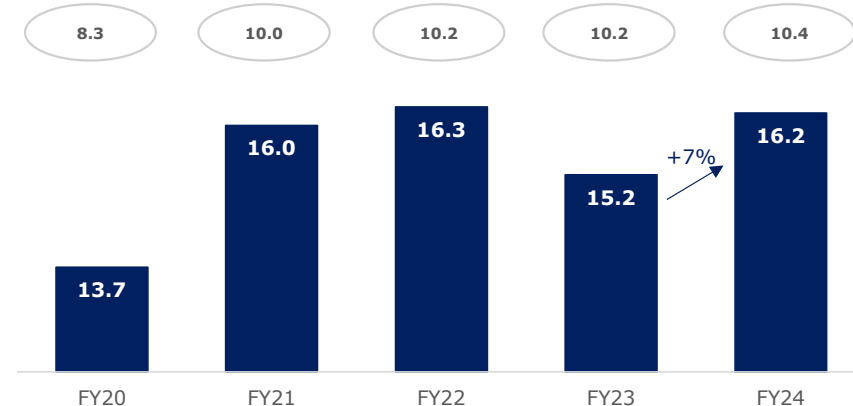
Group revenue (£m)



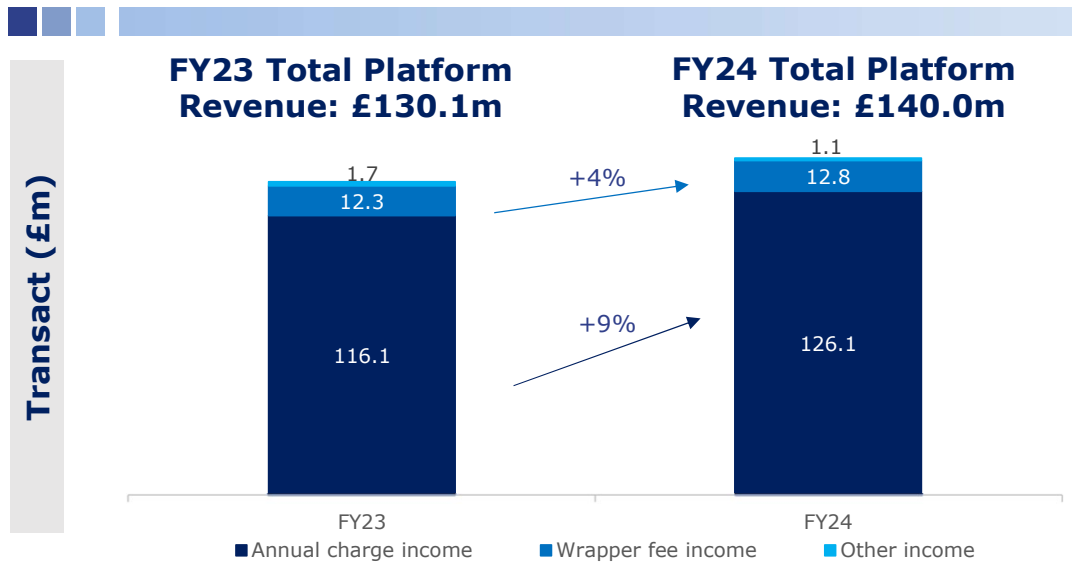
Group underlying profit before tax (£m), and margin



Underlying earnings per share and dividend (pence per share)

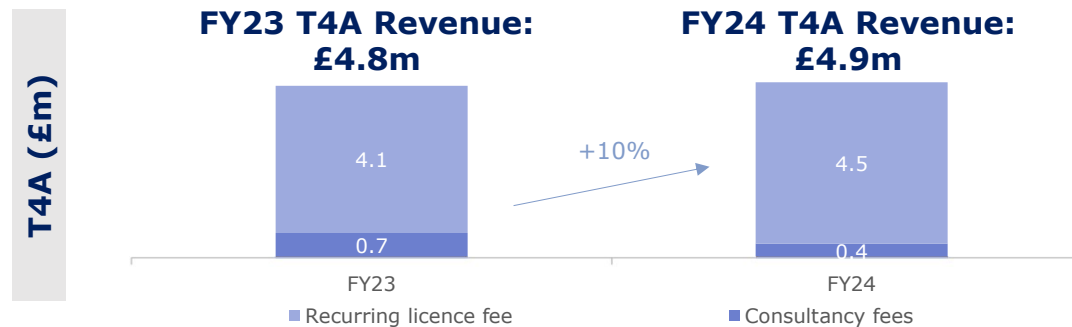


Growing Group revenue



Transact Platform revenue for FY24 reflects the following:

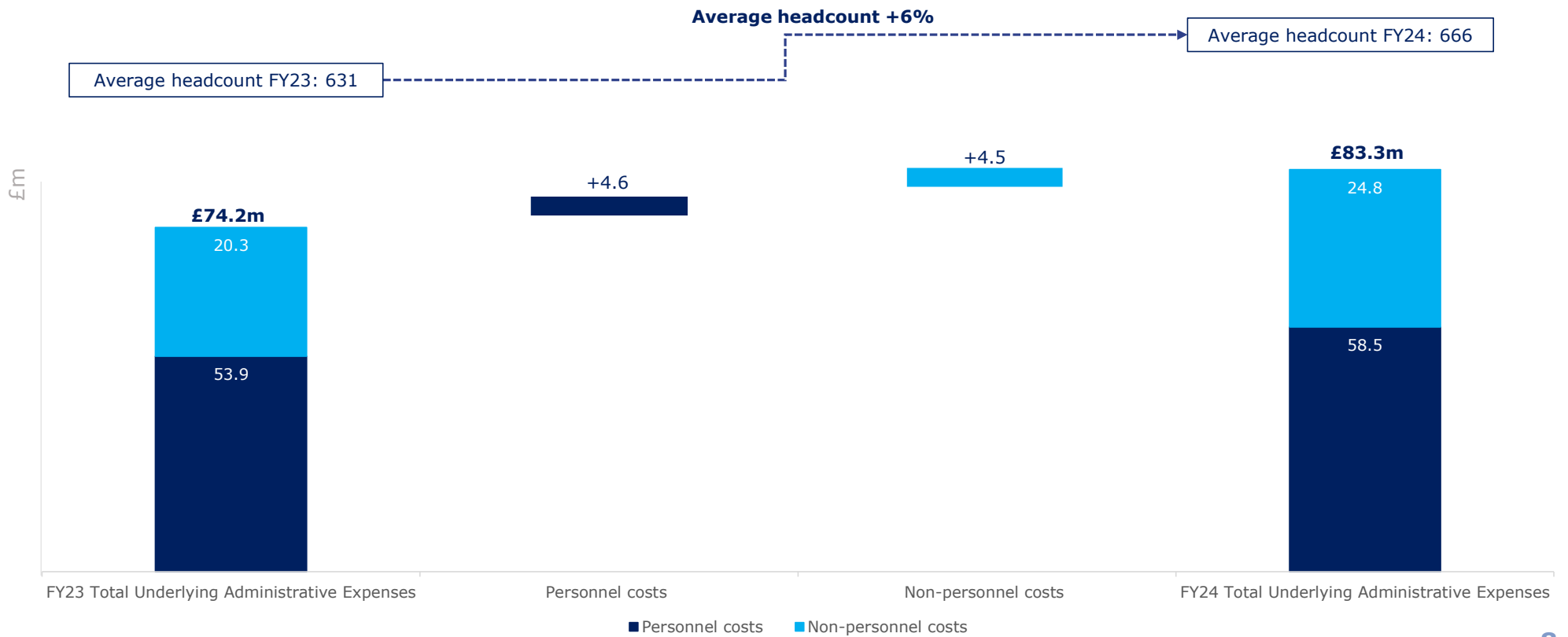
- Buy commission: reduced in 2023, removed in 2024
- No increase in fixed wrapper fee charges
- Zero interest retained on client cash



- Recurring CURO license fee revenue + 10% to £4.5m (FY23: £4.1m)
- License fee paying users of CURO + 13% to 3.1k (FY23: 2.8k)

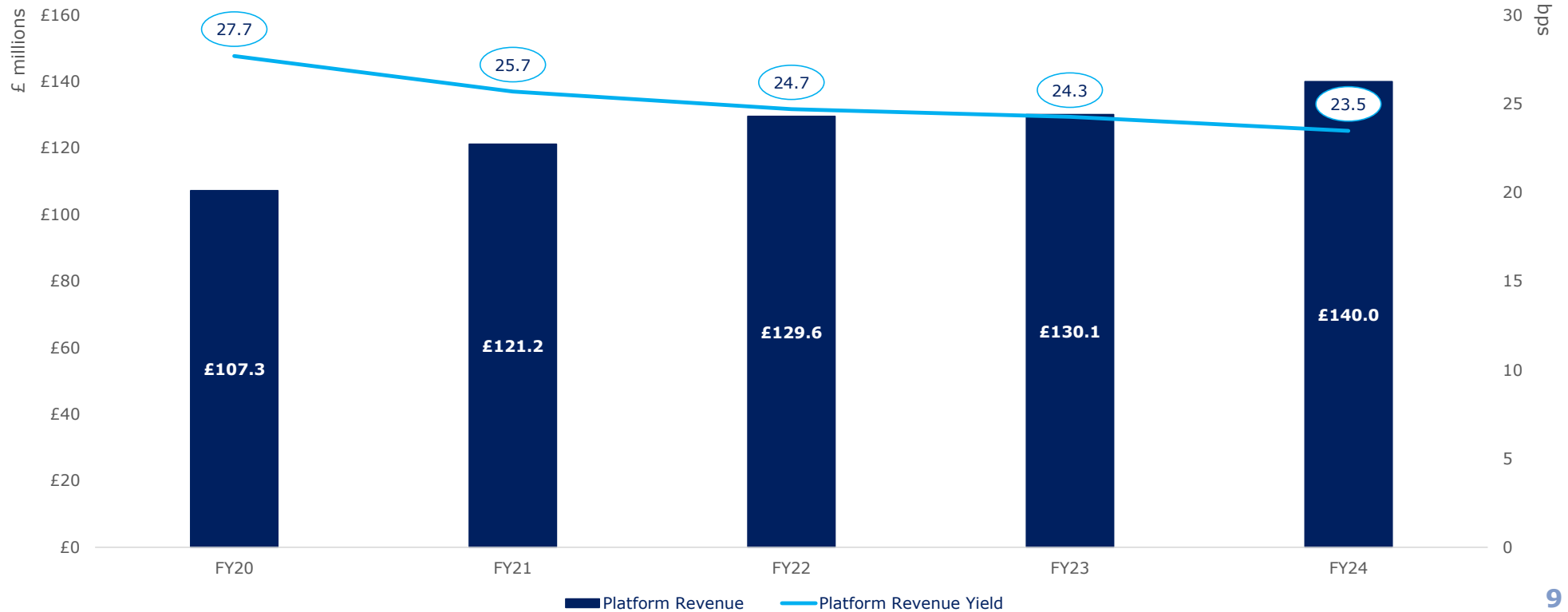
Costs managed in line with guidance

FY24 Total Underlying Administrative Expenses (£m)



Growing platform revenue, and targeted pricing adjustments

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



Group liquidity position, and dividends

Group liquidity position (£m)	As at 30.09.24	Dividend	FY23	FY24
Total Group consolidated cash and UK gilts	242.1	Per share		
Less: Group cash and UK gilts held for regulatory and operational purposes	(118.3)	Ordinary – first interim	3.2 pence	3.2 pence
Less: foreseeable dividend	(23.9)	Ordinary – second interim	7.0 pence	7.2 pence
Less: coverage of policyholder returns in the life insurance companies	(67.8)	Total dividend	10.2 pence	10.4 pence
Surplus cash and UK gilts	32.1			

Dividend

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

Financial guidance

FY25	
Group revenue	<ul style="list-style-type: none"> The Transact platform will make the following targeted price reductions during FY25: <ul style="list-style-type: none"> charging one pension wrapper fee per pension type in family linked portfolios, effective from 1 April 2025 (annualised cost of c.£2m) reducing non-advised client charges, effective from 1 January 2025, a cost of £0.6m in FY25 (annualised cost of c.£1m)
Total administrative expenses	<ul style="list-style-type: none"> Total administrative expenses expected to increase c.9%, exclusive of a one-off c.£2m cost associated with the relocation to a new London office in FY25
Interest income on Group corporate cash	<ul style="list-style-type: none"> We estimate that a 0.25% change in the BOE base rate equates to a c.£0.5m annualised movement in interest income earned on Group corporate cash

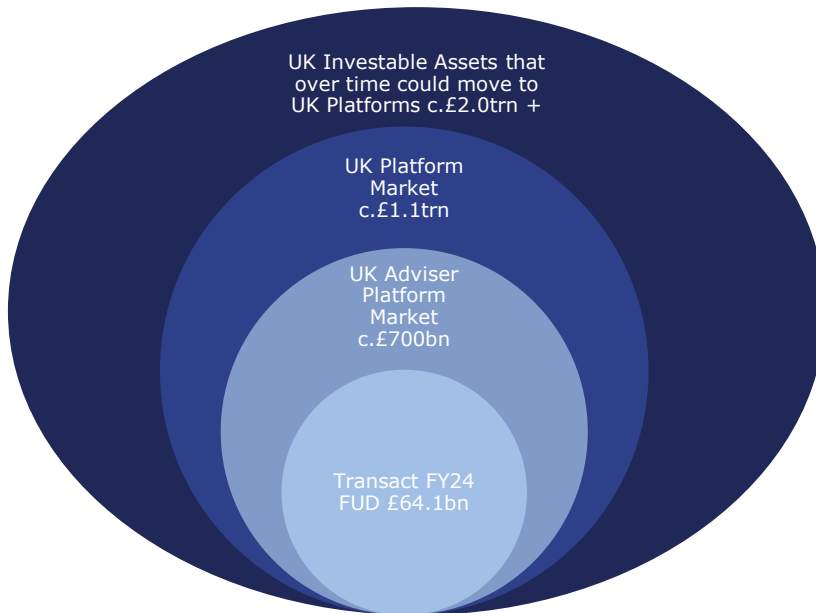
Outlook beyond FY25	
UK adviser platform market	<ul style="list-style-type: none"> Positive fundamentals continue to support the ongoing growth of the UK adviser platform market
Platform revenue margin	<ul style="list-style-type: none"> Platform pricing - we intend to continue assessing opportunities to use our scale to benefit clients and drive growth
Total administrative expenses	<ul style="list-style-type: none"> We expect total administrative costs to moderate, rising by low to mid-single digit percentages

Business update

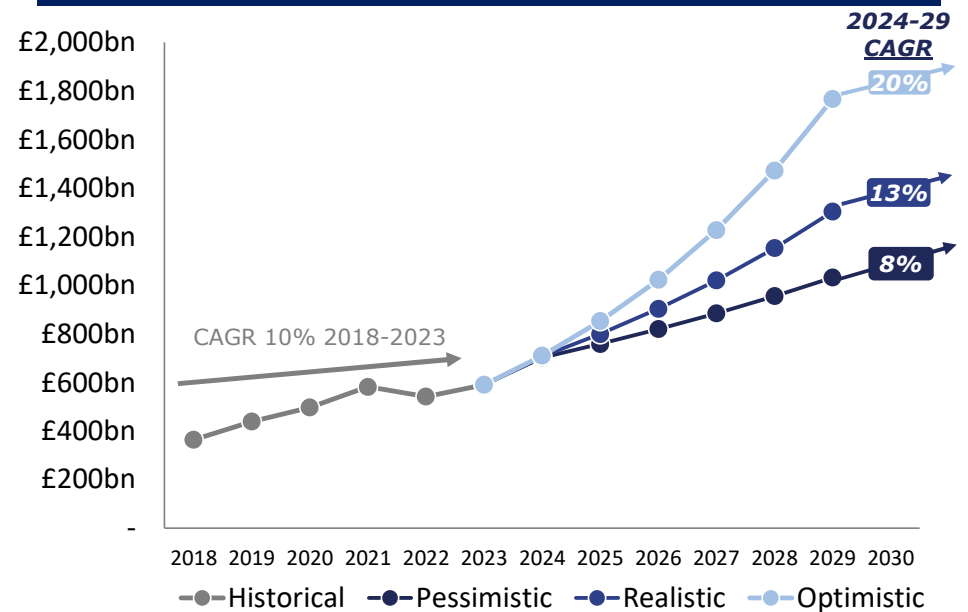


UK adviser platform market growth opportunities

UK platform market by FUD (£bn)



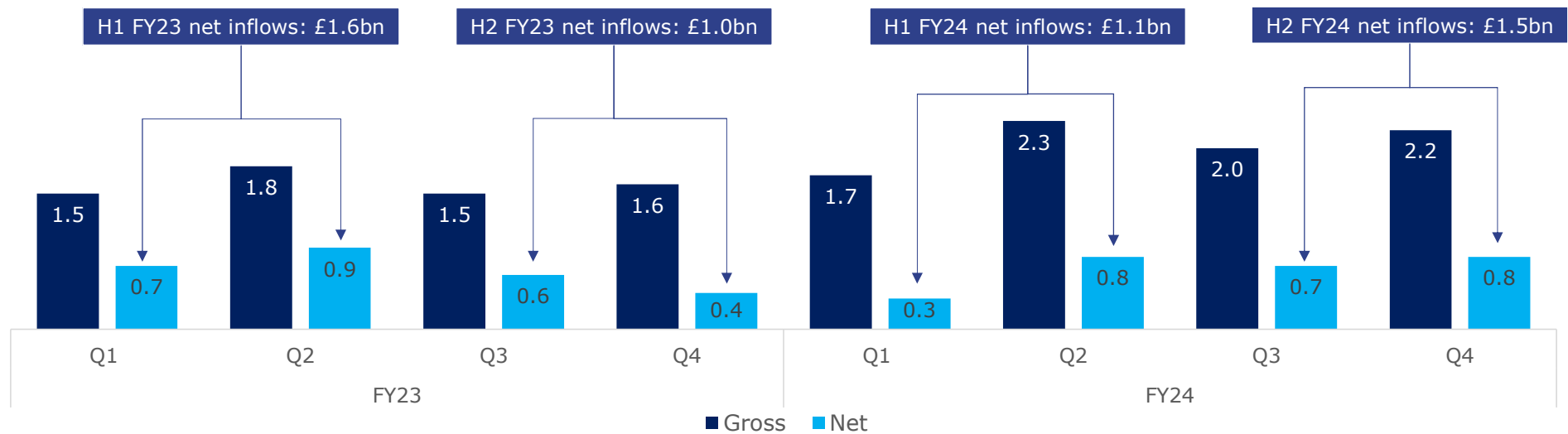
Adviser platform assets – forecast by Fundscape



• Transact is a market leading adviser platform, well positioned to take advantage of a growing UK adviser platform market

H2 FY24 net inflows momentum

Gross and net inflows to the Transact Platform (£bn)



Strong Transact platform flows in H2 FY24:

- Net inflows – £1.5bn in H2 FY24 - £0.5bn ahead of the prior year comparison and £0.4bn ahead of H1 FY24, which included tax year end, as net inflows return to more normalised levels
- Gross inflows - £4.2bn in H2 FY24 - driven by superior service, leading online functionality, and all interest earned on client cash passed to clients

Award-winning Transact service driving growth

Award-winning service proposition

Increasing client numbers

Increasing adviser numbers

Investment Trends
Category Large Platform (>£25bn FUD)*

CORE DATA
research
Category Large Platform (>£30bn FUD)*

Schroders
UK PLATFORM AWARDS 2024
Schroders Best Platform Provider (AUM over £40bn)

NEXTWEALTH
-Transact was rated 'excellent' by advisers in the annual NextWealth survey
-Transact was the only platform to improve its score year on year

↑ **235.0k up 2%¹** (FY23: 230.3k)

94% Client Retention Rate in FY24

Average Client Profile :

- £272k portfolio value
- £437k family-linked portfolio value
- Platform average client age of 59

↑ **8.0k up 5%** (FY23: 7.7k)

Adviser Concentration:

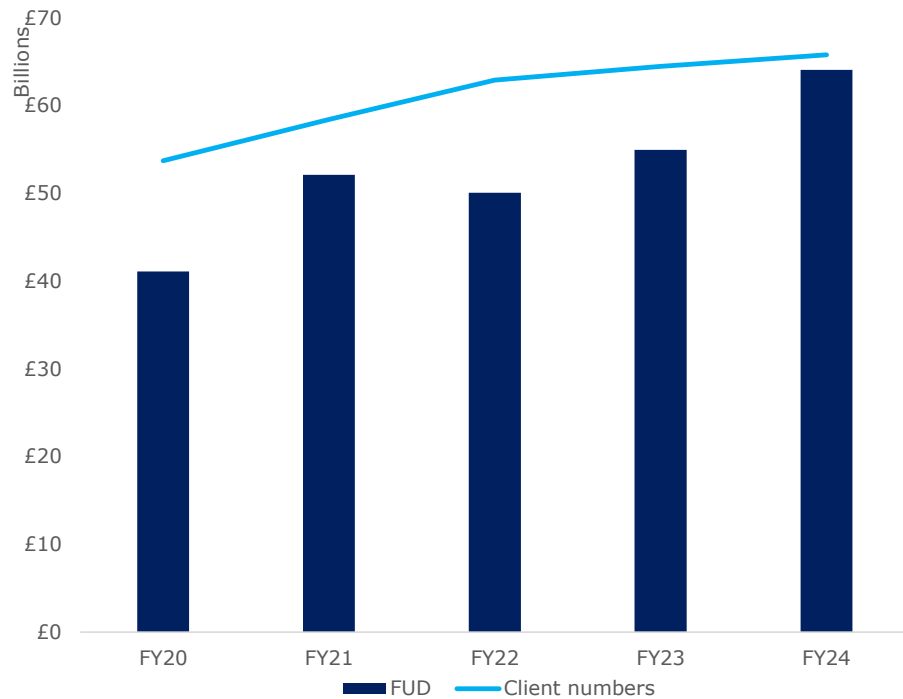
- Low levels of adviser concentration
- Top 120 adviser firms hold c.50% of platform FUD

*Transact has derived platform size using Fundscape data

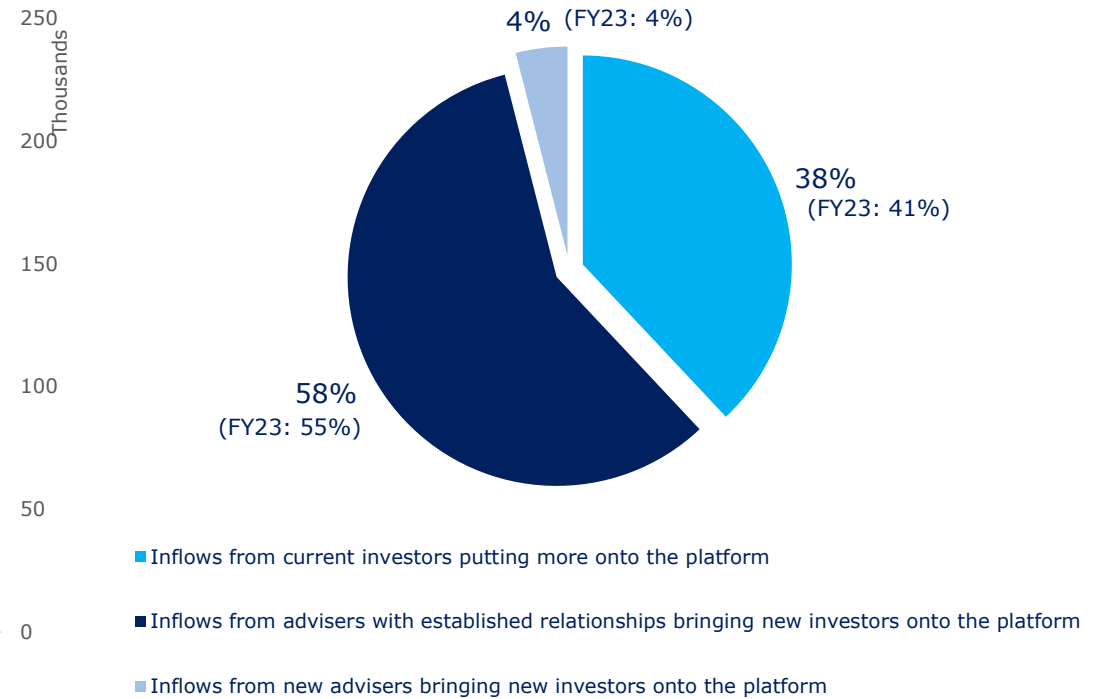
(1) After taking into account a reduction in client numbers in Q2 FY24 due to an ongoing review of portfolios with small residual balances, to improve platform efficiency
Source: Investment Trends 2024 March UK Adviser Technology & Business Report 2024, CoreData UK Investment Platform Study 2023 and NextWealth 2024 Annual Survey

Growth driven by established adviser relationships

Transact FUD and client numbers growth⁽¹⁾










Source of gross inflows FY24



(1) After taking into account a reduction in client numbers in Q2 FY24 due to an ongoing review of portfolios with small residual balances, to improve platform efficiency.

Transact's proprietary technology is a key differentiator

	Platform	Gross inflows FY24	Technology Provider
1	Quilter	£10.9bn	
2	Aviva	£8.5bn	
3	Transact	£8.1bn	Proprietary
4	AJ Bell Investcentre	£6.5bn	
5	Nucleus*	£6.1bn	

	Platform	Net inflows FY24	Technology Provider
1	Quilter	£4.2bn	
2	Aviva	£4.0bn	
3	Transact	£2.5bn	Proprietary
4	AJ Bell Investcentre	£2.2bn	
5	True Potential	£2.2bn	Proprietary

- Transact's growth in FUD, clients and advisers is wholly organic
- Technology ownership provides control over functionality and platform development
- Transact provides award-winning service and delivery of good client outcomes

*Fundscape now combine the assets of James Hay and Nucleus under the name Nucleus
Source: Fundscape Q324 - November 2024

Major enhancements to the Transact platform have been delivered



Advancing the Group strategy in FY25

Maintaining a strong focus on platform development and best in market service standards

Integrations

- APIs
- Client portal integration
- Document sharing with approved third-party systems

Platform digitalisation

- Pension income processes online
- Bond wrapper opening online
- Operational straight through processing

Leading client service standards

- Online live chat for client-specific queries
- Expanded technical support

Strengthening Transact's market position

- Strong market share of net inflows

- Continued attraction of new clients and advisers

- High rate of client retention

- Strong cash generation

Rule changes supporting ongoing advice demand

	Key changes announced	Potential impact	Transact's unique offering
Autumn Budget 2024	<ul style="list-style-type: none"> From April 2027 most inherited pension pots (not to a spouse) will be subject to inheritance tax 	<ul style="list-style-type: none"> Greater complexity in retirement planning and intergenerational wealth transfer Client pension wrapper decumulation approaches may evolve 	<ul style="list-style-type: none"> Clients look to their advisers to setup, manage and deliver their financial plans Using the Transact platform proprietary technology, and high service standards, we respond quickly to tax legislation changes to support client needs High-quality Technical support team who help financial advisers and their clients when they may need further support and use of, investment bonds, trusts and capital gains tax
	<ul style="list-style-type: none"> Main rate of CGT for basic rate taxpayers has increased from 10% to 18% Main rate of CGT for higher and additional rate taxpayers has increased from 20% to 24% 	<ul style="list-style-type: none"> A potential change in the movement of client assets to more tax efficient wrappers 	
Mansion House Speech 2024	<ul style="list-style-type: none"> Review of consolidation in the UK DC pension market 	<ul style="list-style-type: none"> We expect no material impact on the Group, but the review has the potential to be supportive for UK investors and boost investment in the UK 	
	<ul style="list-style-type: none"> New growth focused remits for the FCA and the PRA, and replacement of the SMCR with a more proportionate approach 	<ul style="list-style-type: none"> Supportive towards the Group with a more growth-focused regulatory approach 	

Summary



IntegraFin's strong position, and compelling investment case

IntegraFin provides a leading UK adviser platform...

- 
Strong gross and net inflows despite the macroeconomic environment
- 
Delivering revenue growth, whilst also making targeted pricing reductions to benefit clients
- 
Continued attractive margins, supporting profitability and cash generation
- 
Award winning platform with top-rated service, delivering positive outcomes for clients
- 
Platform digitalisation delivering operational efficiency

...delivering strong results

FUD and Flows	£64.1bn FUD	11% av daily FUD CAGR (FY20-FY24)
	£8.1bn Gross inflows	Top 3 in the adviser platform market
	£2.5bn Net inflows	4.5% of opening FUD
Revenue and Profitability	£144.9m Revenue	99% Recurring Revenue
	£70.6m Underlying PBT	49% UPBT Margin
	16.2p Underlying EPS	FY24 dividend 10.4p



IntegraFin
Q&A



Alex Scott – Chief Executive Officer



Euan Marshall - Chief Financial Officer

Appendix 1- IHP Group FY reporting

£m	FY24	FY23
Revenue	144.9	134.9
Cost of sales	(3.0)	(3.9)
Gross profit	141.9	131.0
Underlying administrative expenses	(83.3)	(74.2)
Non-underlying administrative expenses	(1.7)	(0.4)
Credit loss allowance on financial assets	0.1	(0.1)
Operating profit	57.0	56.3
Net interest income	10.5	6.3
Net gain attributable to policyholder returns*	1.4	-
Reported profit before tax	68.9	62.6
Tax on ordinary activities	(16.8)	(12.7)
Profit after Tax	52.1	49.9

*Net gain attributable to policyholder returns included in administrative expenses in FY23

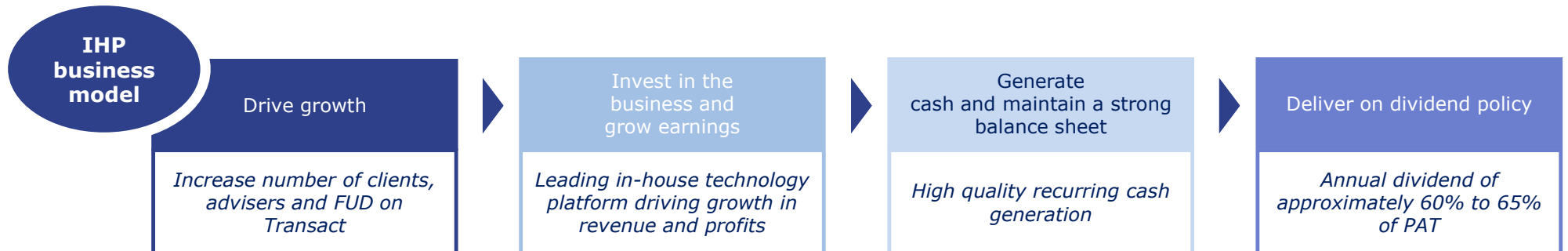
Appendix 2- We remain focused on our clear strategy and business model

The Group's aim is to be the number 1 provider of software and services for clients and UK financial advisers

Our strategy is focused:

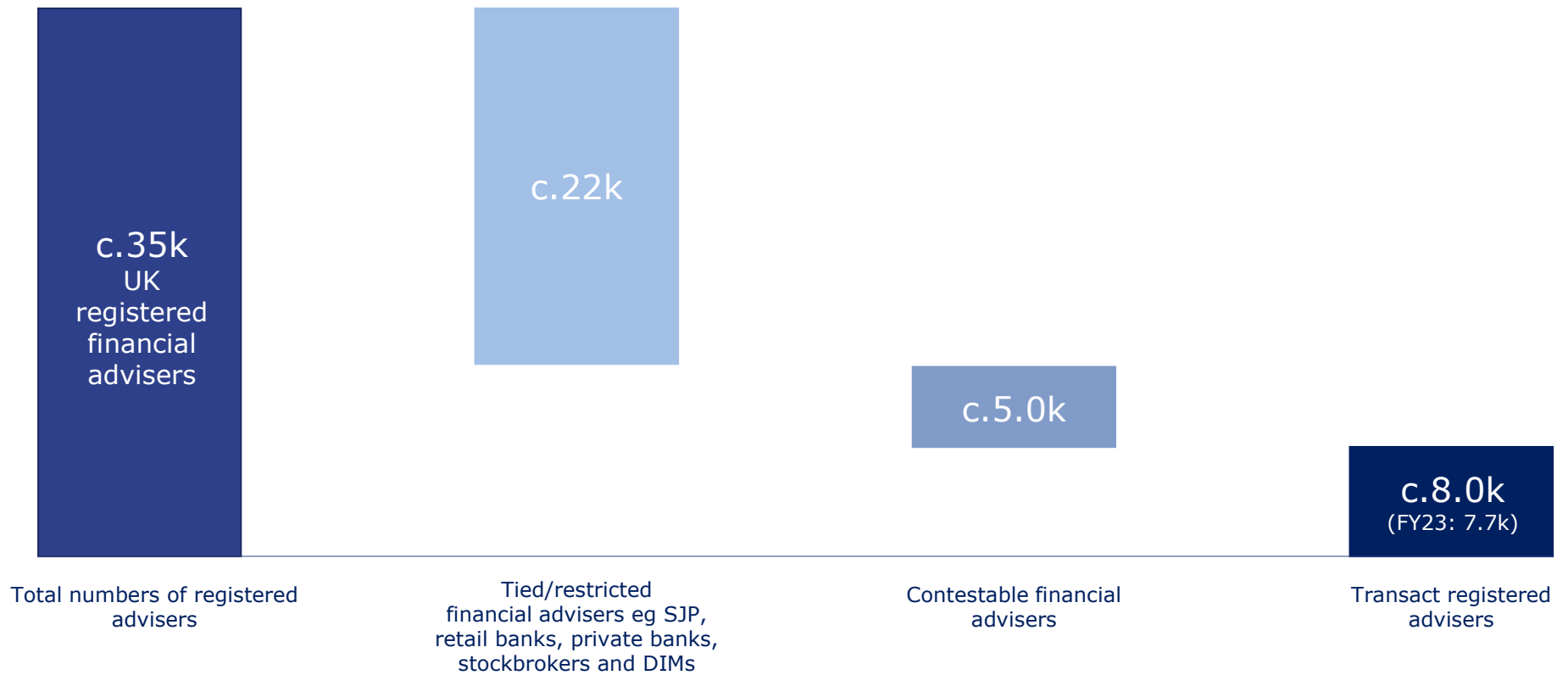
- We make financial planning easier for clients and their UK financial advisers
- We do this by harnessing technology, allied with high quality client service
- We prefer to insource, and so we own and develop our proprietary software for the Transact adviser platform

Our model is simple:



Appendix 3- 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



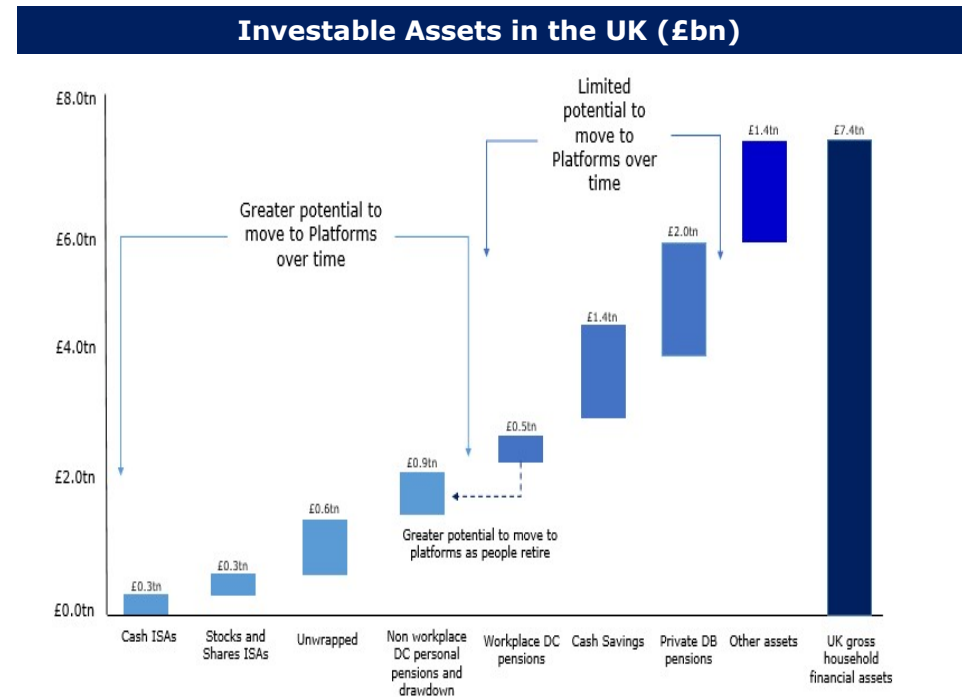
Appendix 4- UK adviser platform market

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 auto enrolment pension scheme

UK adviser platform market by FUD (£bn)			
	Platform	FUD as at 30.09.24	Technology Provider
1	Nucleus*	£90.7bn	bravura solutions
2	Quilter	£82.6bn	FNZ
3	Abrdn	£72.4bn	FNZ
4	Transact	£64.1bn	Proprietary
5	AJ Bell Investcentre	£56.1bn	GBST Financial Services Technology
6	Fidelity	£53.4bn	bravura solutions
7	Aviva	£51.9bn	FNZ
8	Aegon	£51.7bn	GBST Financial Services Technology
9	True Potential	£31.1bn	Proprietary
10	Scottish Widows	£30.7bn	FNZ

*Fundscape now combine the assets of James Hay, Nucleus and Curtis Banks under the name Nucleus

Source: Fundscape Q324 – November 2024



Source: Company research & Fundscape information

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