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5 December 2024

#### **InvestAcc Group Limited**

#### **Trading Update and Change in Financial Year End**

##### **InvestAcc Group continues to deliver strong organic growth and award winning levels of customer service**

InvestAcc Group Limited ("InvestAcc", the "Company" or, together with its subsidiaries, the "Group"), a specialist pensions administrator, is pleased to provide a trading update and announce a change in its financial year end.

##### **Business Unit Operating Performance Highlights**

On 9 October 2024, the Company completed the acquisition of InvestAcc Holdings Limited (the "Acquisition") following FCA change in control approval. Operating performance highlights for the Acquisition for the twelve months to 31 October 2024 were: -

- Total revenue increased 15% to £10.1m, building on the strong performance of 14% growth in FY23 and 11% in FY22
- Pension administration revenue growth of 15% to £5.1m, representing 50% of total revenue
- Addition of 1,868 new pensions schemes bringing the total to 12,195, growth of over 18%
- EBITDA increased 19% to £4.2m (FY23: £3.6m) with cash conversion in line with previous years
- Total assets under administration in excess of £5bn (FY23: £4bn)
- Maintained industry-leading customer retention rates of over 96%
- Continued service quality recognition through multiple industry awards in the last quarter:
  - Moneyfacts Best SIPP Provider for 2024 (fifth time winning)
  - Moneyfacts Best Pension Services for 2024 (fifth consecutive time winning)
  - FT Adviser 5 Star Pensions and Protection Advisor for 2024 (seventh time winning)

##### **Group Update**

- Group EBITDA margin is targeted to be 30%\* in FY25 with cash conversion in line with previous years
- The board has determined that the Group year-end will change to 31 December
- As announced on 16 October 2024, the appointment of Giovanni Castagno, Helen Copinger-Symes and Martin Potkins as Independent Non-Executive Directors to strengthen governance to support the Group's growth strategy.

\* this is a target for the year ending 31 December 2025, not a profit forecast.

##### **Chairman, Mark Hodges, commented:**

"We are pleased our first acquisition continues to deliver significant organic growth and excellent customer service which is testament to the InvestAcc team. Given the quality of the acquired business and the strength of our market position, we remain excited about prospects for future growth".

##### **Market Position and Growth Strategy**

InvestAcc aims to become the UK's leading specialist pensions administrator, serving both business customers (wealth managers and financial advisers) and direct clients. Recent FCA analysis<sup>1</sup> demonstrates the scale of our market opportunity:

- Total SIPP Operator assets under administration: £567bn
- Platform-based SIPP assets: £204bn
- Traditional SIPP Operator assets: £184bn (up from £130bn in 2022)
- Total consumer base: approximately 5.3m

Our business model benefits from:

- Fixed fee-based service revenues, providing protection from financial market volatility
- Expected customer lifetime value exceeding 25 years

- Expected customer lifetime value exceeding 20 years
- Commitment to fair customer outcomes from treasury services
- Industry-leading customer service performance

#### **M&A Strategy and Regulatory Environment**

We remain highly confident of the opportunity to acquire customer books and operating businesses that will enable us to scale significantly and continue to deliver growth over the coming years enabled by the excellent operational platform and growth characteristics already demonstrated by InvestAcc.

#### **M&A and Integration Platform**

The leadership team has the ability to originate these opportunities from a range of sources, from owner-operators through to banks and life companies, through their significant relationships and reputations within the industry.

The assessment and due diligence carried out on these opportunities remains a fundamental part of both risk mitigation and future integration planning. The ability to manage the integration of these businesses and transfer of customers efficiently, ensuring the quality of the customer experience, is fundamental to the M&A strategy while also driving long-term financial and other operating efficiencies.

#### **Pension Market and Recent HMRC Consultation**

We note the treatment of pensions for inheritance tax purposes, which we do not expect to have a negative impact on our business. We are monitoring the current technical consultation on the role of the pension administrator. We believe our role as a specialist pension administrator continues to be reinforced by legislative proposals such as this, with the potential responsibilities only improving the prospects and opportunities for high-quality operators, as well as potentially increasing the scope and scale of services we will offer our clients.

#### **Change in Financial Year End**

The board has determined that the Group year-end will change to 31 December. The change will align the Group and each of its subsidiary companies to a single year end.

As a result of the change, the Group's current financial period will comprise six months from 1 July 2024 to 31 December 2024. The Board intends to report as follows, in each case with appropriate comparatives:

- Audited final results for the six months to 31 December 2024 - publication by 30 April 2025
- Unaudited interim results for the six months to 30 June 2025 - publication by 30 September 2025

<sup>1</sup>FCA 2024 SIPP's data request completed in July 2024

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