

25 February 2022

Equity Trustees delivers strong earnings increase as funds growth continues

Underpinned by robust organic growth and positive markets

- Funds under management, administration and supervision up 19% on previous half to \$152 billion
- Revenue \$55.9 million, up 16% on prior comparative period (pcp) (\$48.3 million)
- Net profit \$12.7 million, up 29% on pcp
- Interim dividend 48 cents per share
- Strong growth in revenue and earnings driven by robust organic growth and positive markets
- Outlook positive as demand for services continues to grow

EQT Holdings Limited (ASX: EQT), the holding company for Equity Trustees, today announced a strong increase in profit and a higher dividend, as funds under management, administration and supervision (FUMAS) continued to rise during the six months ended 31 December 2021.

Net profit for the period increased 29% to \$12.7 million, on revenue of \$55.9 million, up 16%, compared with the pcp. In comparison with the previous half, revenue was up 6% and net profit was up 9%. The Board declared an interim dividend of 48 cents per share, up 9% from last interim. This is midway between the dividend payout policy range of 70%-90% of NPAT and is the highest interim dividend paid in the last decade."

Chair Carol Schwartz AO said: "Equity Trustees is benefiting from its focussed strategy that has driven strong funds growth.

"Our independent model is becoming the preferred industry standard, and our investment in the business is delivering for all stakeholders."

Managing Director Mick O'Brien said the consistent strong growth in funds was clearly flowing through to earnings.

"Now at more than \$150 billion, FUMAS continues to grow due to the strength of the group's core business and the substantial investment we are making in people and technology.

"All our businesses are benefiting not only from the growing demand for the independent trustee model, but also recognition of our expertise in an increasingly intense regulatory environment."

Mr O'Brien said that while the recovery in the equity markets contributed to the result, it was also driven by strong organic growth across each of the businesses.

"Operating expenses were relatively contained at \$36.1 million allowing the revenue growth to largely flow to the bottom line, delivering a 29% increase in net profit to \$12.7 million compared with the pcp."



“Our Trustee and Wealth Services business performed well, with good growth in our trusts and specialised market segments and particularly good alpha generation from our Asset Management business for the benefit of clients and beneficiaries.

“The Corporate Trustee Services business continues to be a standout, reporting revenue growth of 17% primarily driven by organic growth from existing clients and new business wins but also favourable equity markets.

“Superannuation Trustee Services also performed strongly, with FUMAS up 21% on the pcp.”

Mr O’Brien said the group performed solidly through the turmoil of COVID and remained focused on building the core business on the back of its strengths.

“We continue to benefit from demographic, regulatory and structural tailwinds, while new business initiatives and potential opportunities in adjacent markets provide further upside.

“Our balance sheet remains strong, with low gearing, a strong regulatory capital position and sufficient funding capacity should this be required.

“The outlook is positive.”

Ms Schwartz said that Equity Trustees’ growth demonstrated the resilience of the group’s business model and its strategy of investing for growth.

“Equity Trustees’ reputation continues to strengthen and attract new clients through our dedicated approach as an independent trusted fiduciary with a strong focus on governance.

“Our expertise is difficult to replicate due to our long history, our focus on building on the foundation of trust which is core to our culture and our brand, and our ongoing investment in people and technology.”

FURTHER INFORMATION

Media

Alicia Kokocinski
General Manager – Marketing & Communications
03 8623 5396 / 0403 172 024
akokocinski@eqt.com.au

Investors

Mick O’Brien
Managing Director
+61 3 8623 5202
mobrien@eqt.com.au

Philip Gentry
Chief Financial Officer and Chief Operating Officer
+61 3 8623 5372
pgentry@eqt.com.au

Equity Trustees was established in 1888 for the purpose of providing independent and impartial Trustee and Executor services to help families throughout Australia protect their wealth. As Australia’s leading specialist trustee company, we offer a diverse range of services to individuals, families and corporate clients including asset management, estate planning, philanthropic services and Responsible Entity (RE) services for external Fund Managers. Equity Trustees is the brand name of EQT Holdings Limited (ABN 22 607 797 615) and its subsidiary companies, publicly listed company on the Australian Securities Exchange (ASX: EQT) with offices in Melbourne, Bendigo, Sydney, Brisbane, Perth and London