



Equity Trustees

INVESTOR PRESENTATION

RESULTS FOR HALF YEAR ENDED 31 DECEMBER 2021

Mick O'Brien, Managing Director
Philip Gentry, Chief Financial Officer and Chief Operating Officer

25 FEBRUARY 2022



AGENDA

- (1) 1H22 OVERVIEW**
- (2) FINANCIALS**
- (3) STRATEGY UPDATE AND OUTLOOK**
- (4) QUESTIONS**

Equity Trustees acknowledges Aboriginal and Torres Strait Islander people as the First Australians and respects their long and enduring connection to their land.

We pay our respects to all Elders past, present and emerging.



1H22 OVERVIEW



STRONG EARNINGS INCREASE ON CONTINUED FUMAS GROWTH

FUMAS*
\$151.8b

↑ Up 18.5% on 1H21

REVENUE
\$55.9m

↑ Up 15.8% on 1H21

NPAT
\$12.7m

↑ Up 29.3% on 1H21
↑ (Up 19.1% on 1H21 Underlying NPAT)

DIVIDENDS
48 cents

↑ Up 4 cents per share on 1H21
↑ (Up 1 cent per share on 2H21)

- Strong growth in revenue and earnings as a result of robust organic growth and positive markets
- Increased dividend for the half at 48 cents
- Balance sheet remains strong with low gearing and healthy liquidity

* FUMAS: Funds under management, administration, advice and supervision

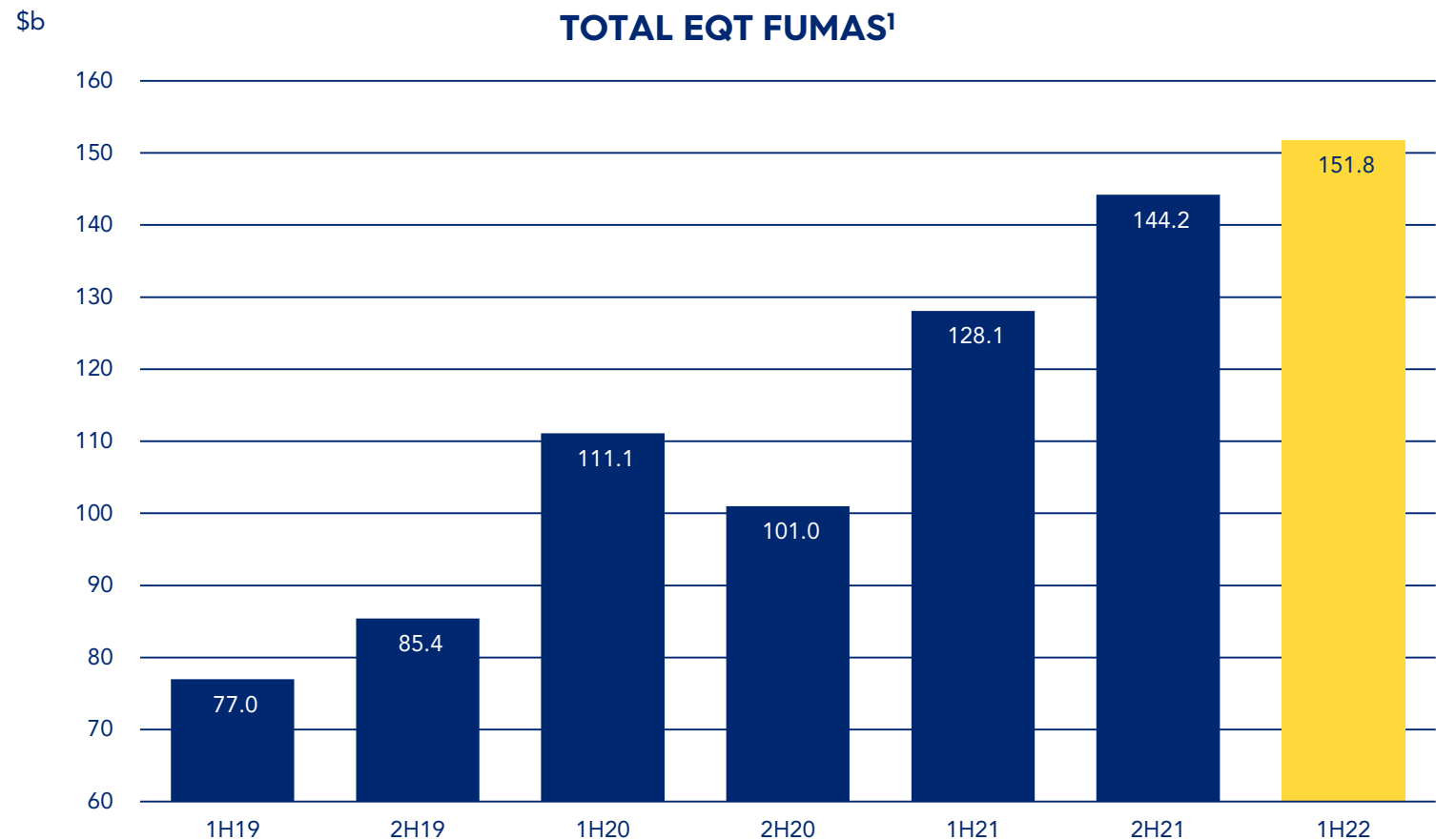


GROWING OUR COMPETITIVE EDGE

- Benefiting from focussed strategy which has driven strong funds growth
- Funds growth flowing through to earnings
- Investment in people and technology continuing to underpin growth
- Independent model becoming the preferred industry standard
- Expertise in an increasingly intense regulatory environment is giving us a competitive edge
- Fulfilling our purpose of trust – caring for people and enriching the broader community



FUMAS UP 18.5% ON 1H21 TO \$151.8B



18.5% increase in FUMAS principally driven by:

- Significant new business activity in Corporate Trustee Services
- New Superannuation Trustee appointments for Centric and Aracon
- Growth in various funds
- Positive recovery in equity markets

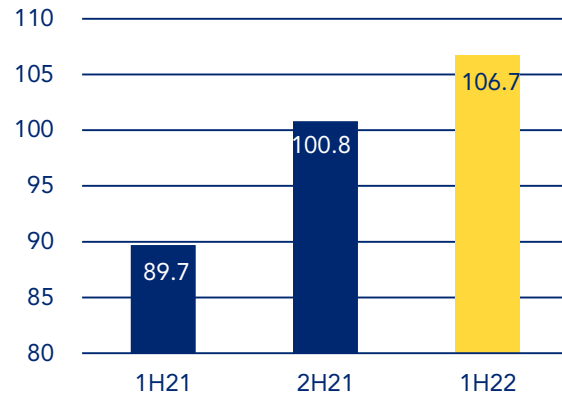
¹ FUMAS: Funds under management, administration, advice and supervision



FUMAS GROWTH CONTINUES

\$b

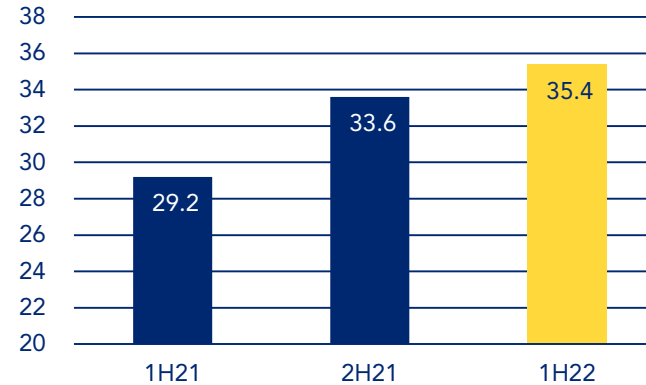
CTS FUS¹



- FUS up 19.0%
- Multiple new fund manager client appointments, supported by positive equity markets
- Expansion in service offering to dual registry quoted funds
- Continued growth in corporate trust appointments

\$b

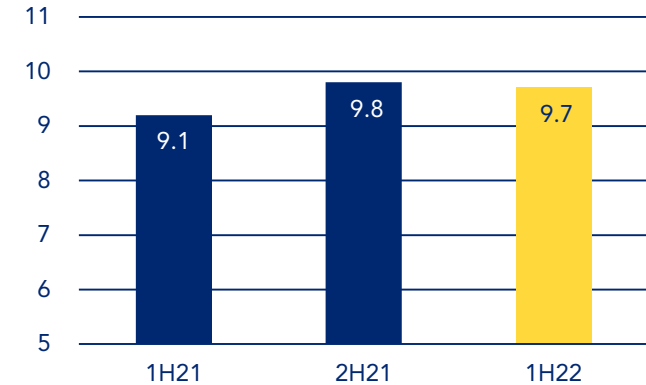
STS FUS¹



- FUS up 21.2%
- Full half impact of Centric and Aracon superannuation funds
- Benefitting from increased demand for independent trustee model

\$b

TWS FUMAS²



- FUMAS up 6.6%
- Growth in new clients
- Our \$3.9b specialist funds management business has outperformed market benchmarks
- Single large estate finalised

¹ FUS: Funds under supervision

² FUMAS: Funds under management, administration, advice and supervision



DELIVERING FOR ALL STAKEHOLDERS

EMPLOYEE ENGAGEMENT

Engaged and enabled
staff

- Next survey in April
- No. 1 priority in 2021 was health and safety
- Staged return to hybrid workplace
- Risk culture survey positive result increased from 83% to 85%

CLIENT SATISFACTION

Net Promoter score (NPS)¹
Net Loyalty score (NLS)²

- NPS of +12, NLS of +13
- Next survey in April
- Extended to cover Superannuation fund members – i.e. Member outcomes
- Focus on specialised client segments; e.g. Estate Management

SHAREHOLDER VALUE

Earnings Per Share (EPS)
growth
and dividend growth

- Statutory EPS 60.47 cents (↑ 13.3 cents)
- Dividend increased to 48 cents (↑ 4 cents)

COMMUNITY IMPACT*

Granting and pro bono/
volunteering

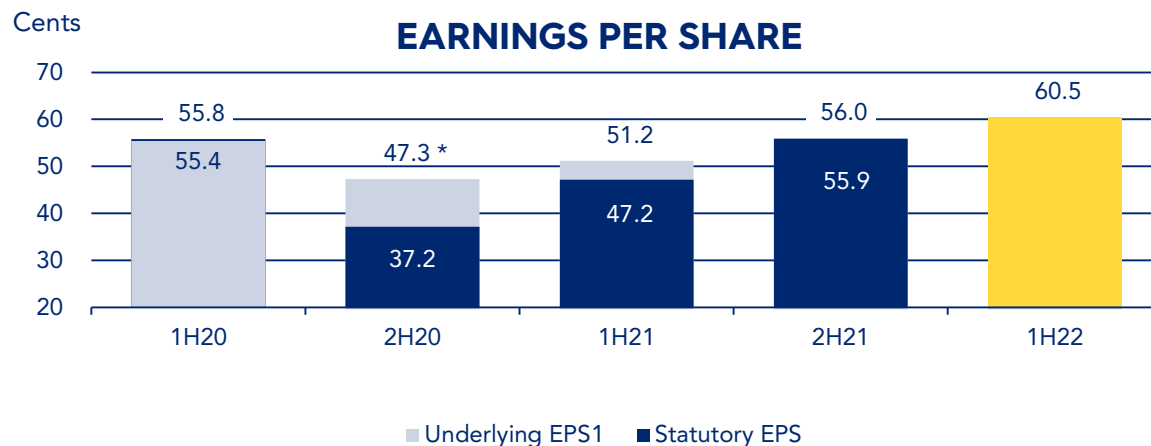
- Launched 4th Annual Giving Review, celebrating \$96m in grants
- Fully deployed over \$7m in community rebuilding after bushfires and more than \$4m dedicated to volunteer support

¹ Net Promoter score – net measure of client willingness to recommend EQT

² Net Loyalty score – net measure of clients prepared to purchase another EQT product or service

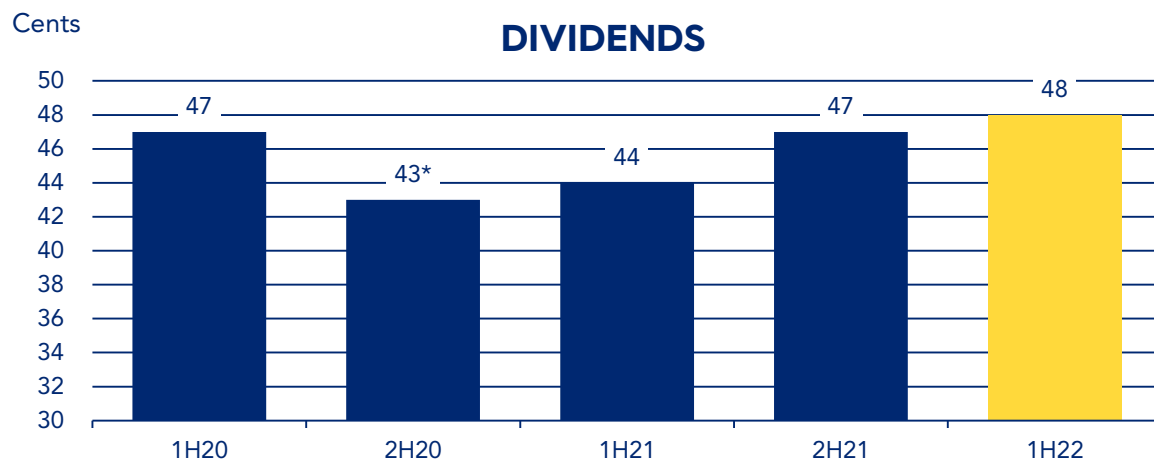
* COVID-19 lockdowns have curtailed the ability of staff to volunteer

DELIVERING FOR SHAREHOLDERS



60.5CENTS

- Strong EPS growth:
 - Statutory EPS up 28.2%
 - Underlying EPS up 18.1%



48CENTS

- Healthy increase in dividends
- Returned to growth post onset of COVID pandemic
- 1H22 dividend the highest interim dividend in last 10 years

¹ Underlying EPS – excludes tax provision writeback and one off M&A expenses incurred in 1H FY21

*Onset of COVID-19 Pandemic



OTHER ACHIEVEMENTS AND FOCUS

PEOPLE

- Continuing to build capability while managing turnover and pressure on remuneration in some areas of the business
- Appointed new leaders including – Company Secretary, CTS – GM Business Development, Head of Responsible Investing

TECHNOLOGY

- Deployed new risk and compliance platform - CAMMS
- Deployed new third party service provider oversight platform – Zeidler
- Continued Salesforce evolution
- Continued investment in cyber resilience
- Preparation for TWS and Finance system upgrades

MARKETING

- Transitioned marketing events online
- Major improvements in search engine optimisation and digital marketing
- Increased communications program to connect with clients

ASSET MANAGEMENT

- Building an outstanding investment record, adding material alpha to client portfolios
- Major consolidation of 24 to 13 internally managed funds and investment in improved operating model
- Launch of New EQT Eight Bays Global Equity Fund



SUMMARY

STRONG PERFORMANCE WITH CONTINUED GROWTH MOMENTUM



FUMAS increasing to \$151.8 billion, supported by organic growth and strong equity markets



Continuing investment creating a foundation for more sustainable future growth



Strong EPS growth on both underlying and statutory bases



Continuing to deepen our community impact



Increased dividend



Delivering for all stakeholders



FINANCIALS

POSITIVE FINANCIAL PERFORMANCE



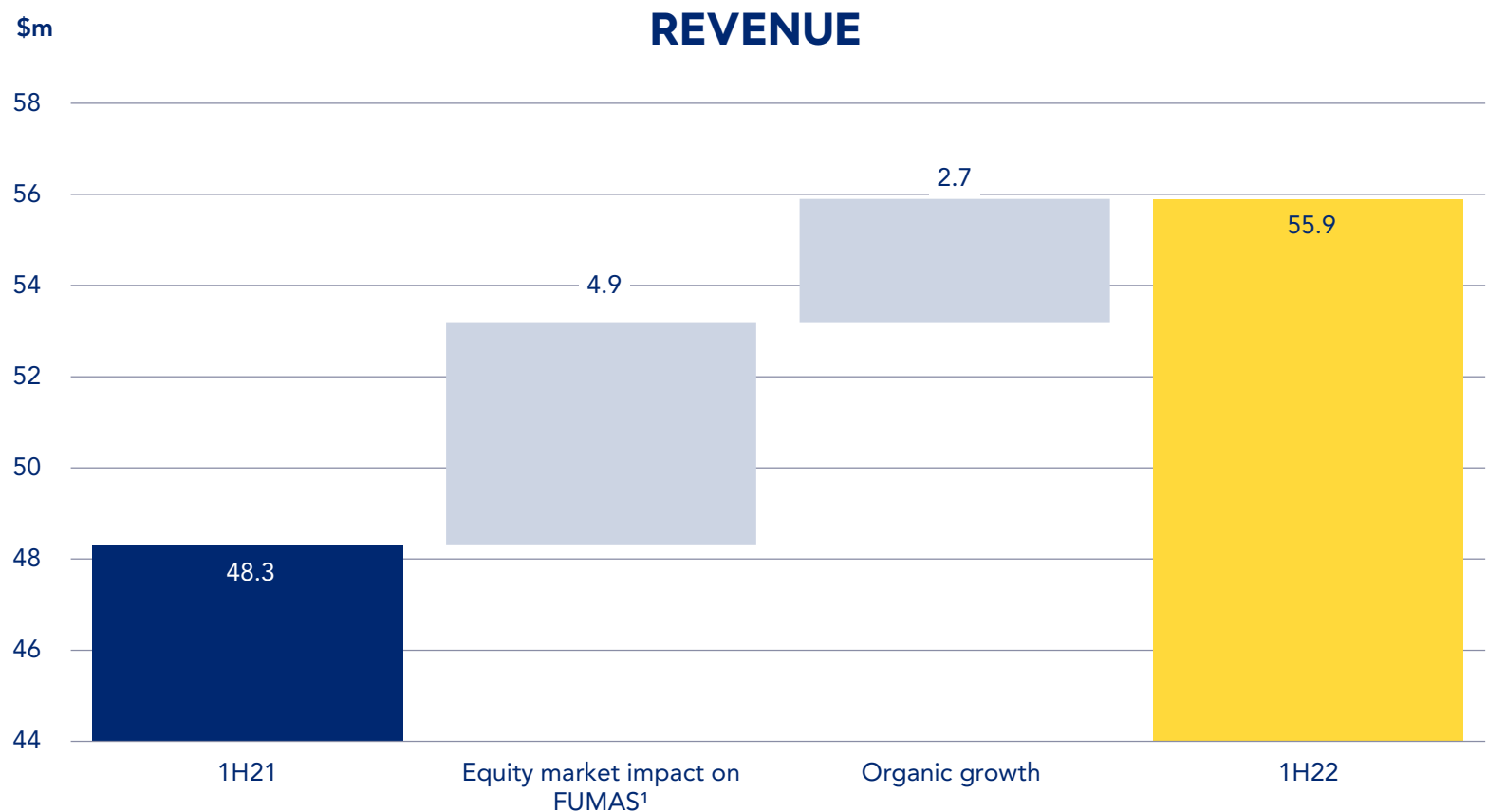
FOR THE PERIOD	1H22	2H21	1H21	1H22 v 2H21 %	1H22 v 1H21%
Total revenue (\$m)	55.9	52.7	48.3	5.9	15.8
Total expenses (\$m)	36.1	35.5	35.2	(1.5)	(2.7)
EBITDA (\$m)	23.2	20.5	16.6	13.1	39.3
EBIT (\$m)	20.7	18.0	13.9	15.3	49.0
Net profit before tax (NPBT \$m)	19.8	17.2	13.1	14.9	50.8
Income tax expense (\$m)	7.7	6.1	3.7	(27.3)	(108.3)
Net profit after tax (NPAT) (\$m)	12.7	11.7	9.8	8.2	29.3
Underlying net profit after tax (UNPAT) (\$m)	12.7	11.7	10.7	8.4	19.1
Statutory earnings per share (EPS) (cents)	60.47	55.88	47.16	8.2	28.2
Underlying earnings per share (EPS) (cents)	60.47	56.02	51.19	7.9	18.1
Dividends (cents per share)	48	47	44	2.1	9.1
Underlying EBITDA (\$m)	23.2	20.6	18.4	12.6	26.1
Underlying EBIT (\$m)	20.7	18.1	15.6	14.8	32.4

- Strong revenue growth up 15.8%
- Expense growth contained, up 2.7% on statutory basis (up 8.0% excluding \$1.7m M&A project expenses in 1H21)
- Healthy increase in EBITDA and NPBT
- NPAT up 29.3% and EPS up 28.2% on statutory basis
- Underlying EPS up 18.1%
- Dividend up 4 cents on the prior corresponding period and 1 cent on the previous half

Underlying EPS and NPAT adjustments as follows

- 1H21 – excluding \$1.7m M&A costs and \$0.8m tax provision write-back.

SOLID HALF ON HALF REVENUE GROWTH

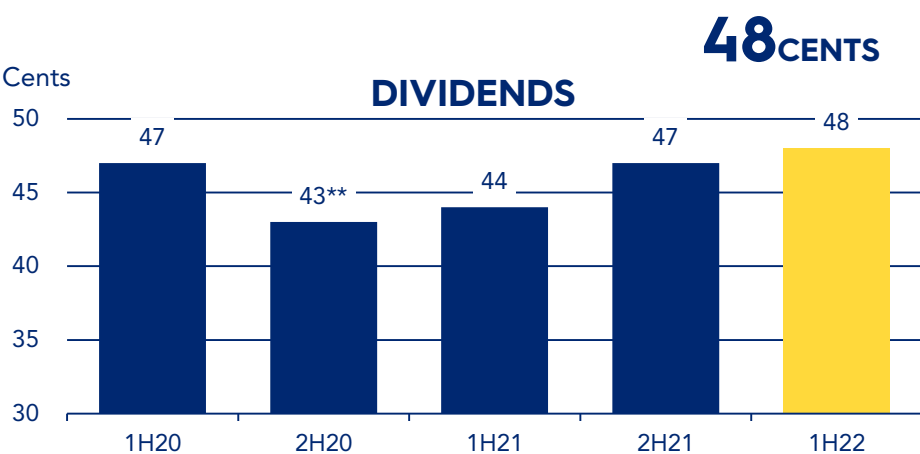
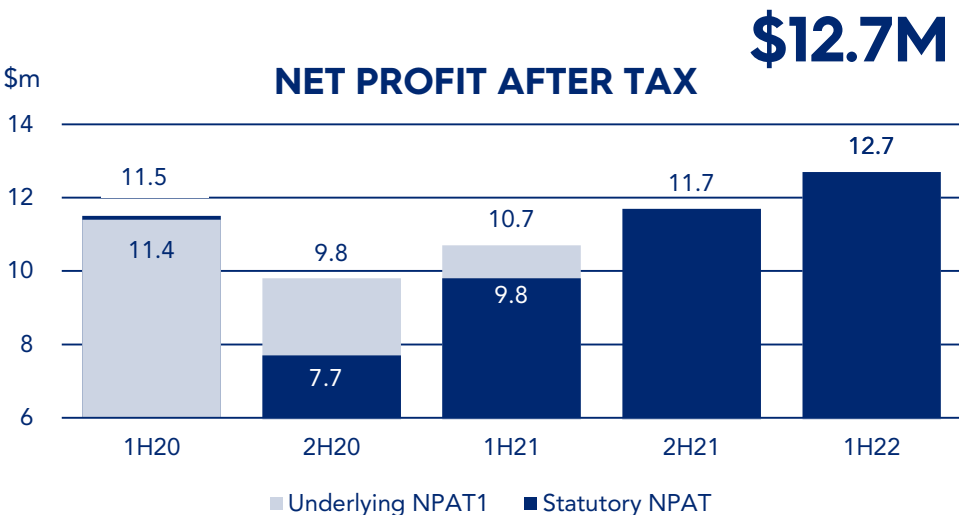
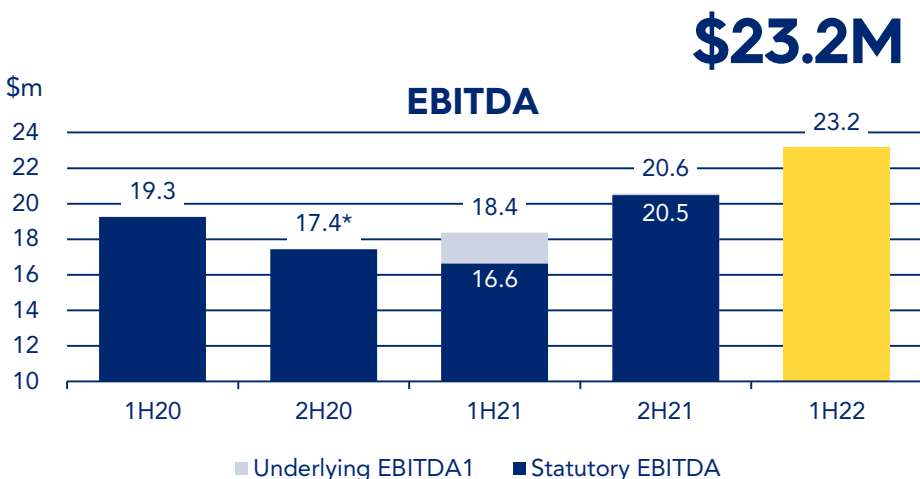
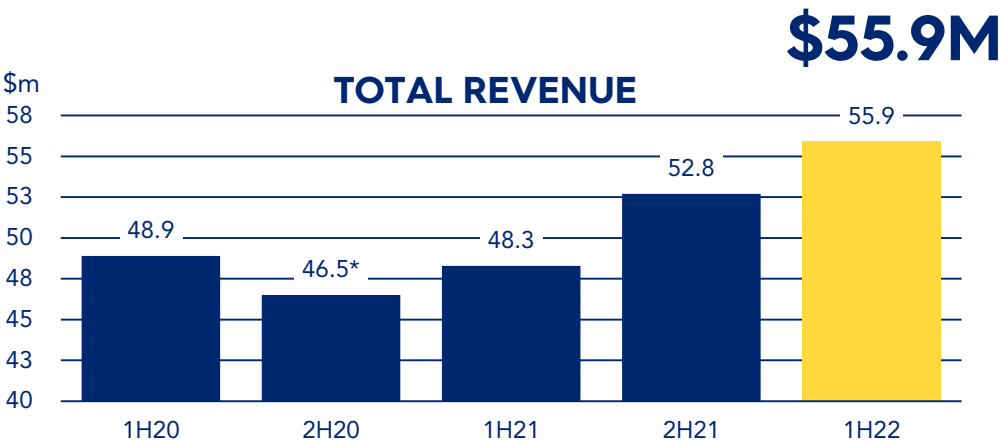


- 15.8% growth in revenue on the prior corresponding period driven by:
 - Good organic revenue growth of 5.6%, across all three business units
 - Positive markets assisting FUMAS growth, particularly in CTS and TWS

¹ FUMAS: Funds under management, administration, advice and supervision
-Market impact on FUMAS links 50% of TWS revenue to the daily average ASX200, 30% of STS revenue to the daily average ASX200 and approx. 50% of CTS revenue to the daily average MSCI World
-Exchange rates are not considered



CONSISTENT PERFORMANCE



*Onset of COVID-19 Pandemic

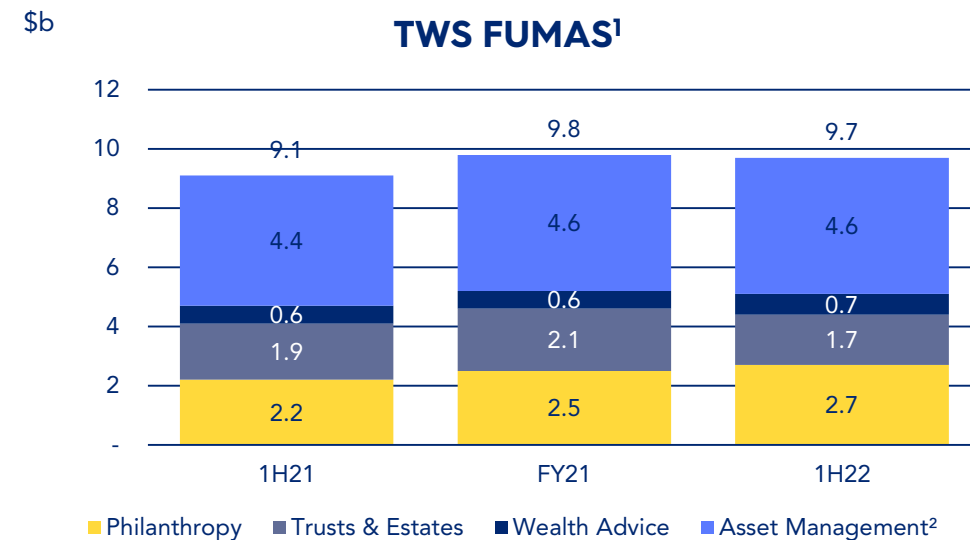
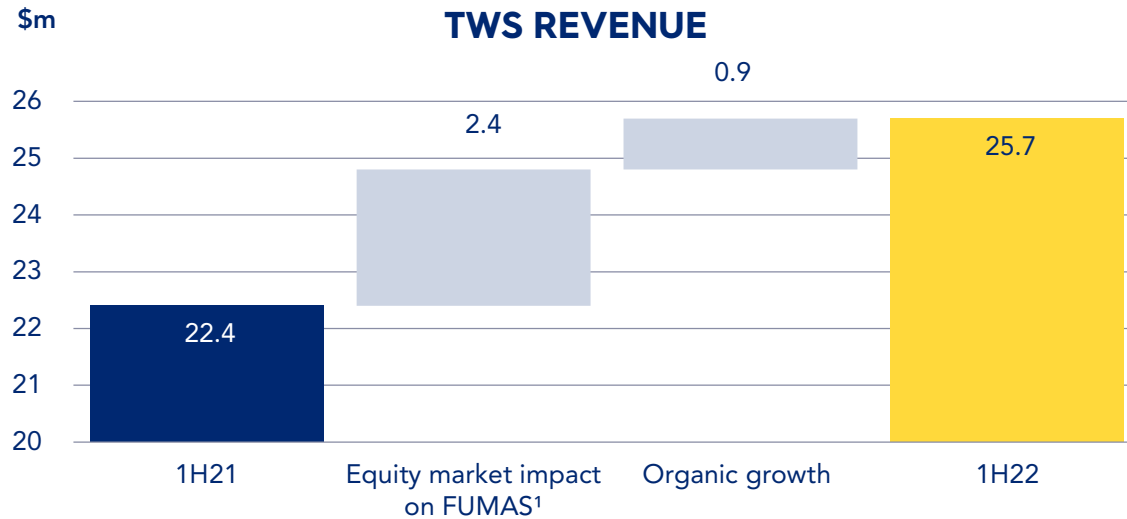
**Full year dividend maintained at 90 cents in COVID-19 impacted FY20

¹ Underlying EBITDA – excludes one off M&A expenses incurred in 1H FY21

² Underlying NPAT- Excludes tax provision writeback and one off M&A expenses incurred in 1H FY21 - Excludes tax provision (\$2.1m) and tax adjustment (\$0.1m) in FY20



TWS – SIGNIFICANT GROWTH IN REVENUE DRIVEN BY ORGANIC GROWTH AND POSITIVE MARKETS



- Strong headline revenue growth of 14.8% on prior corresponding period
- Positive revenue impact from solid growth in FUMAS for philanthropy, trusts and estates and excellent asset management investment performance
- FUMAS slightly down due to completion of one large Estate
- Investment performance in Australian equity portfolios has seen gross alpha between 1.6% and 1.8% over the last year

¹ FUMAS: Funds under management, administration, advice and supervision
-Market impact of FUMAS links ~50% of TWS revenue to the average ASX 200 index

² Asset Management includes TWS Investment Mandates, Superannuation Mandates and Common Funds

TWS – CONSISTENT GROWTH IN MOST BUSINESSES

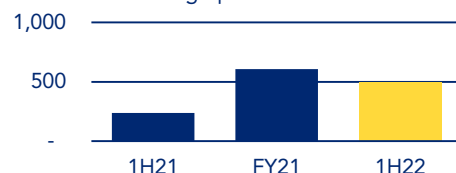


CORE TRUSTEE SERVICES FUMAS¹

All graphs in Millions

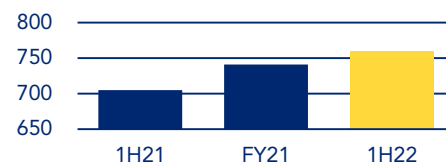
Estate Management

- FUMAS down due to completion of one large estate



Testamentary Trusts

- Net new client growth supported by positive markets



Perpetual Charitable Trusts

- Several new trusts supported by positive markets



Advice

- 71 new clients
- Multiple clients transferred to other businesses in TWS

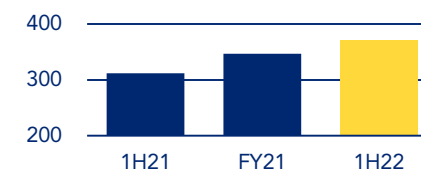


EMERGING MARKETS FUMAS¹

All graphs in Millions

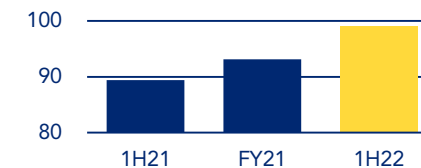
Living Donors

- New clients, material growth in donations and positive market equity impact



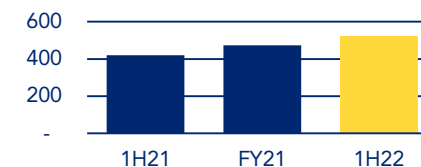
Indigenous Trusts

- Reappointed to 2 trustee roles in WA



Compensation Trusts

- 7 new trusts in FY21



Investment Mandates

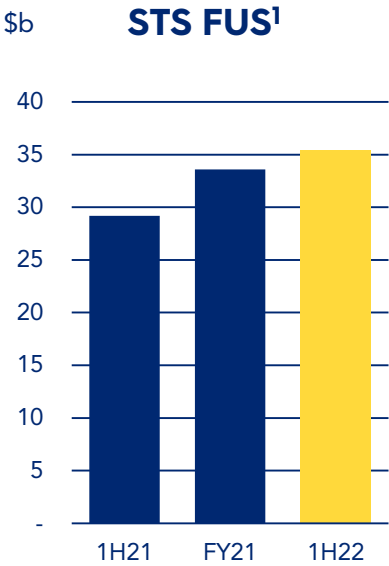
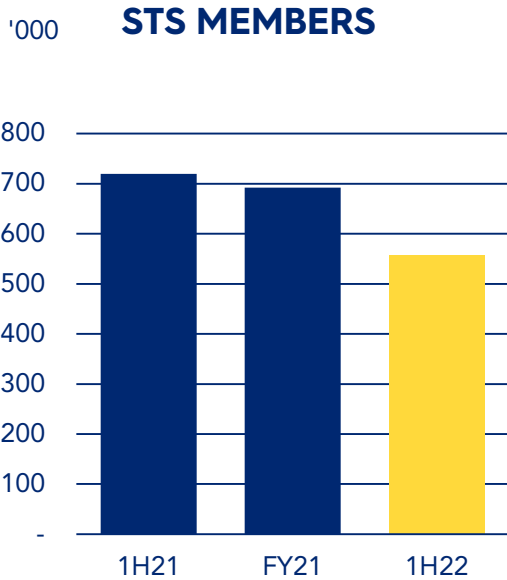
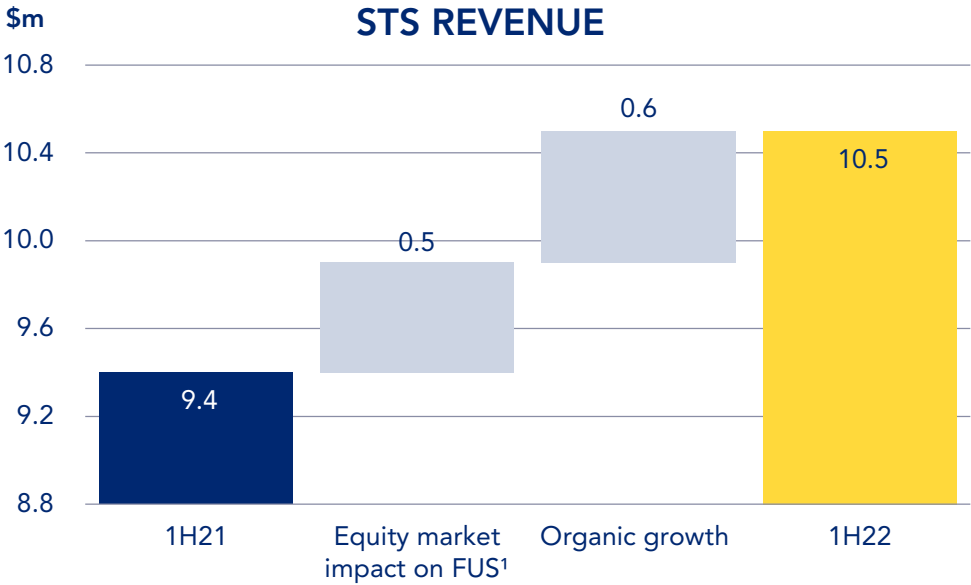
- 4 New clients
- Strong pipeline



¹ FUMAS: Funds under management, administration, advice and supervision



STS – CONTINUED SOLID GROWTH



MAJOR NEW APPOINTMENTS INCLUDE:

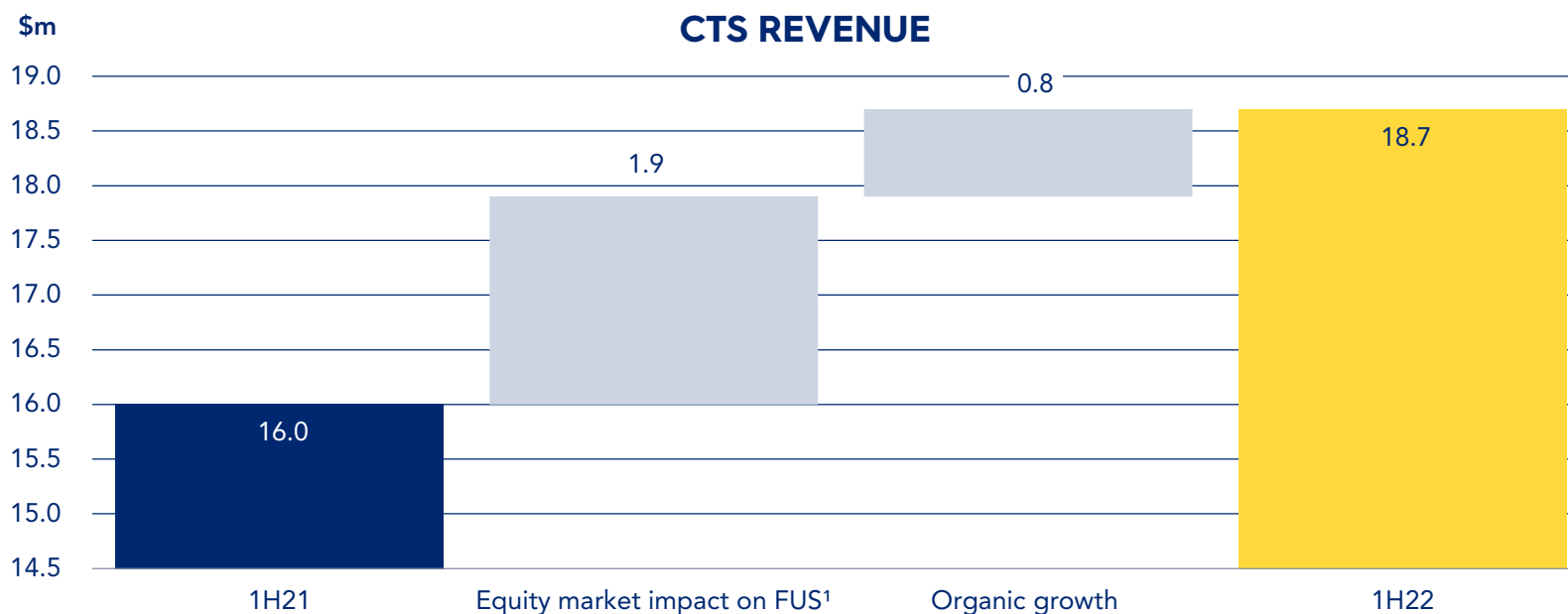
- Full half impact of the appointments to Centric (Findex subsidiary) Superannuation fund and Aracon Superannuation fund

SUPERANNUATION MEMBERS

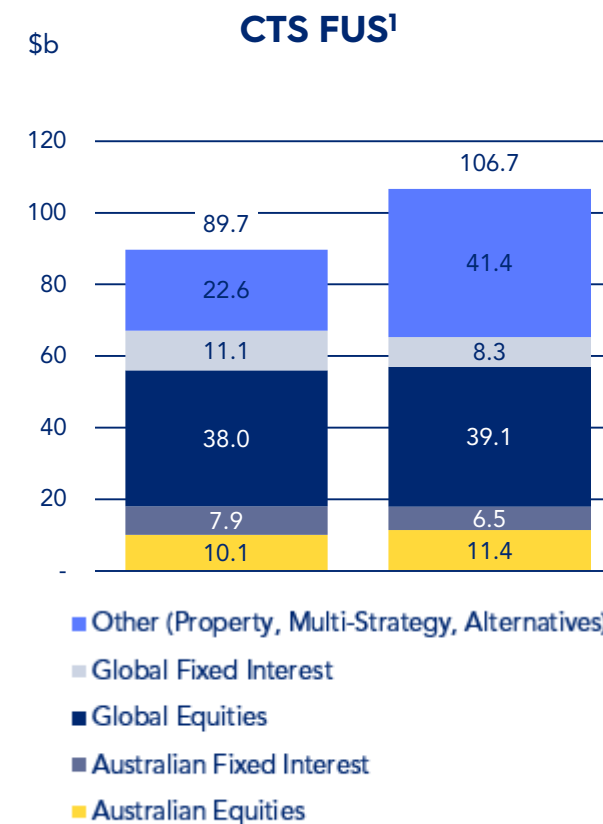
- Total members ~ 600,000
- Low balance members transferred to ATO

¹ FUS: Funds under supervision -Market impact on FUS links 30% of STS revenue to the average ASX200 index

CTS – STRENGTHENED MARKET LEADERSHIP



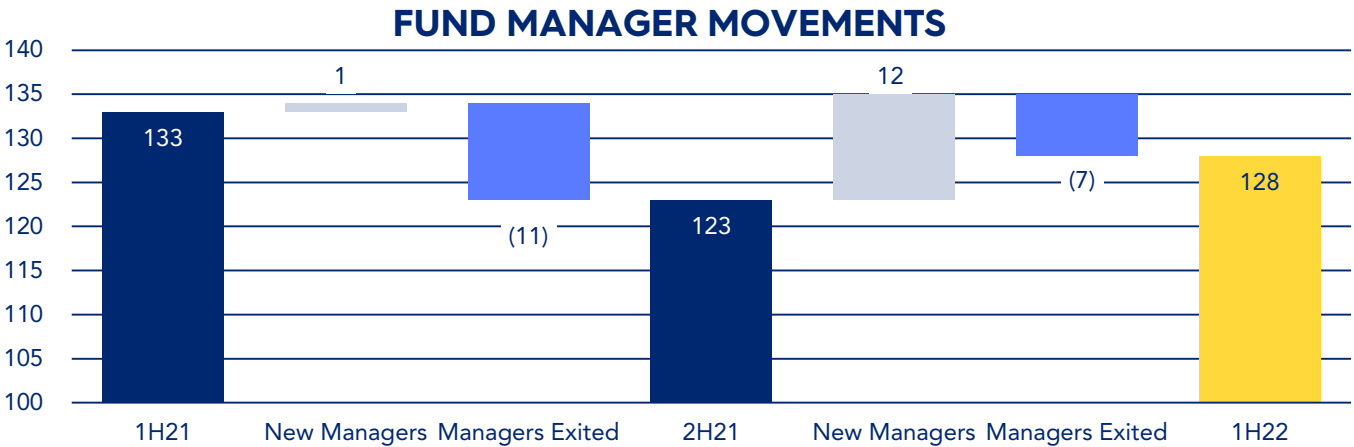
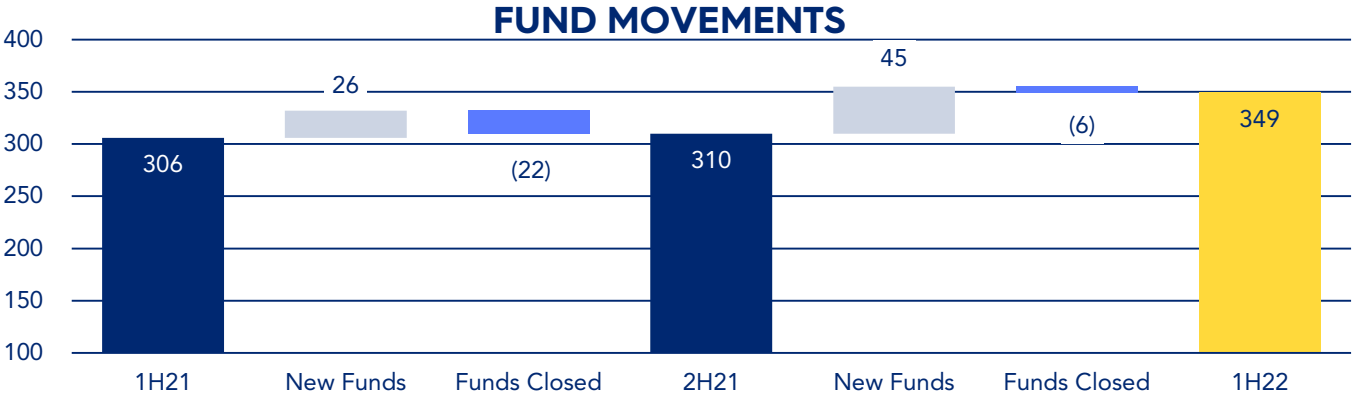
- Headline growth of 17.3% driven by organic growth from existing clients, new business wins and favourable equity markets.
- New funds include: American Century, Fat Prophets, T. Rowe Price, Pan-Tribal, L1 Capital, Haven and Hejaz.
- Currently establishing over 35 funds which are expected to be launched in 2H22.
- Strong demand across all asset classes and listed vehicles.



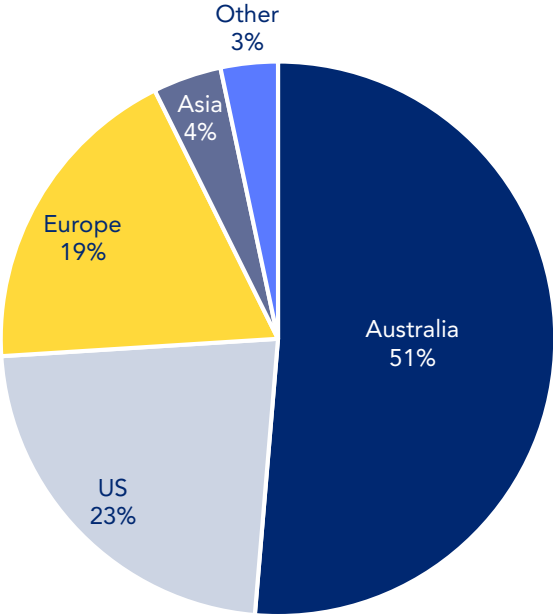
¹ FUS: Funds under supervision

Market impact on FUS links 50% of CTS revenue to the average MSCI World index

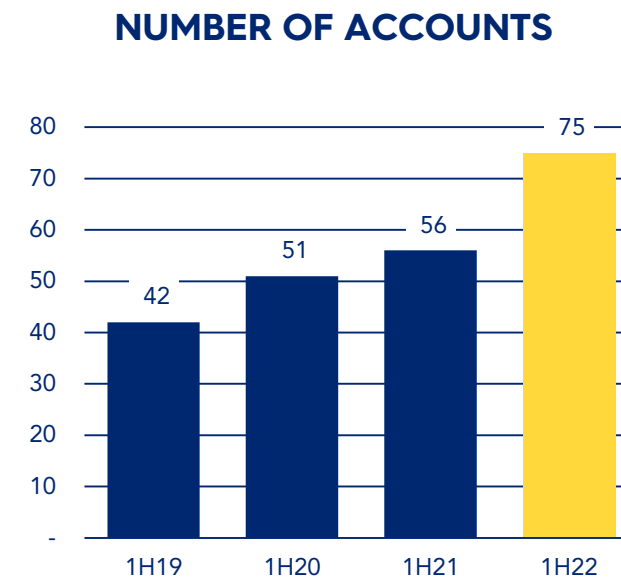
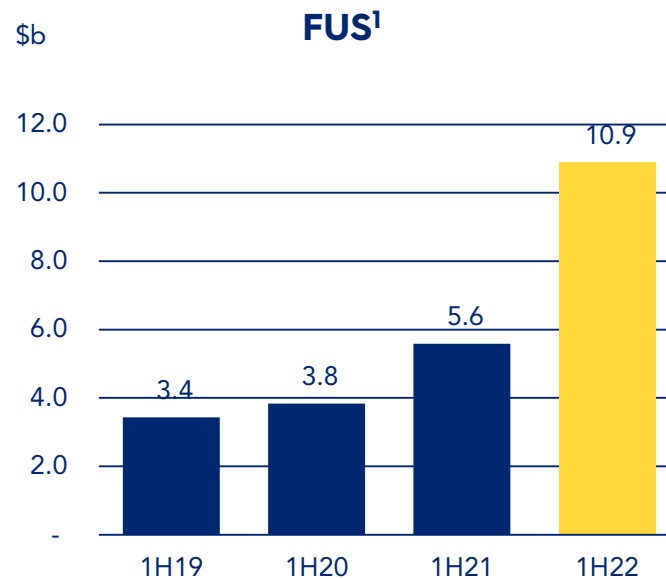
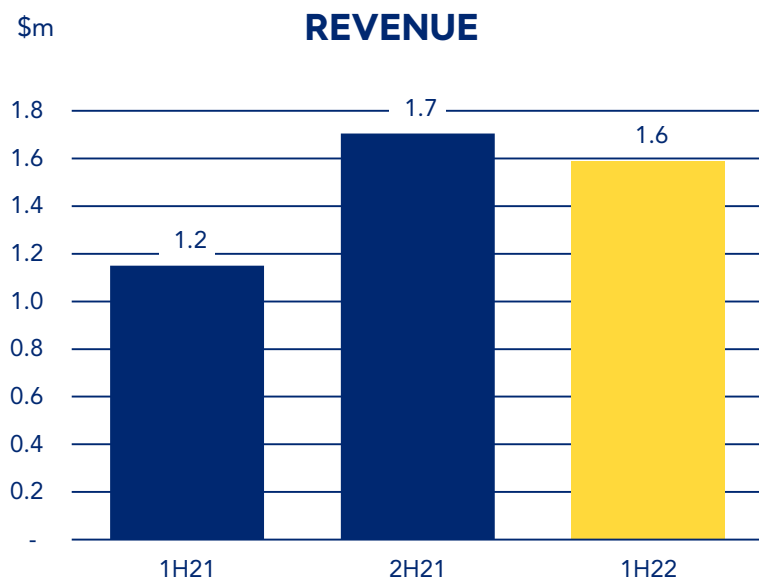
CTS – SERVICING THE GLOBAL FUND MANAGER INDUSTRY



FUND MANAGER LOCATION



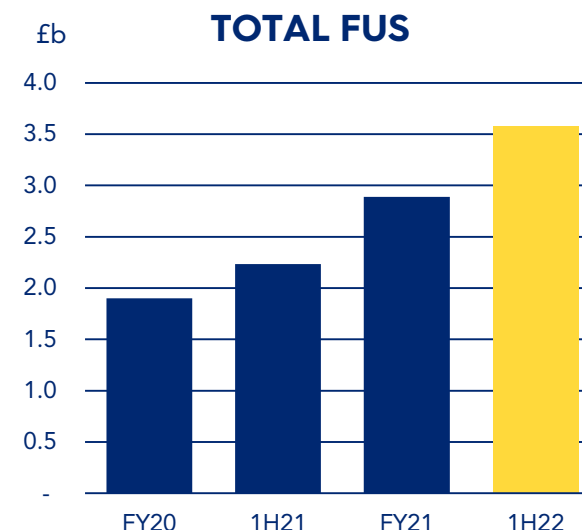
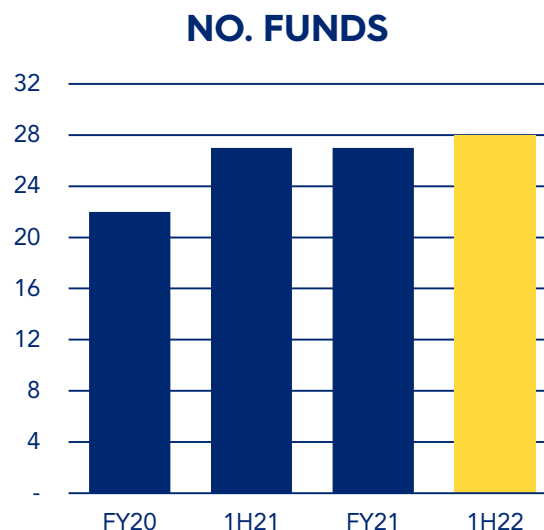
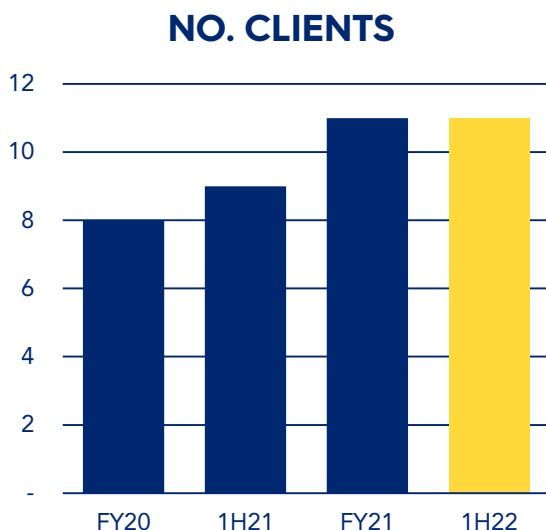
CTS – CORPORATE TRUST AND SECURITISATION



- Significant retail note transaction for Latitude Financial
- Custody transactions for Home Co
- Continuing to build momentum in syndicated property transactions as Facility Agent and Security Trustee particularly in the commercial property sector
- Increasing resourcing to support high levels of activity and positive growth outlook
- Launched first MBS (Mortgage backed securitisation) deal
- Over 10 new Bond deals launched in 1H22
- Started offering Reinsurance Trustee Services

¹ FUS: Funds under supervision

CTS – UK/IRELAND



- Strong FUS growth, notwithstanding a more challenging environment as a result of COVID-19 impacts throughout FY20 and FY21 delaying fund establishments and slowing distribution
- UK regulator (Financial Conduct Authority (FCA)) has increased scrutiny and intensity on independent Authorised Corporate Directors (ACDs)
- ~A\$18m in capital invested as at 31 December 2021 in UK and Ireland (debt, preference shares and equity)
- Strong pipeline developing primarily through referrals from existing clients and suppliers. Evidence that our reputation and brand in the UK and Europe is strengthening
- Targeting establishment of 6-8 new funds in 2H22
- Equity Trustees now being considered by larger Asset/Wealth Managers – £1bn+ FUM
- Larger prospects provide opportunities to shorten the time to breakeven

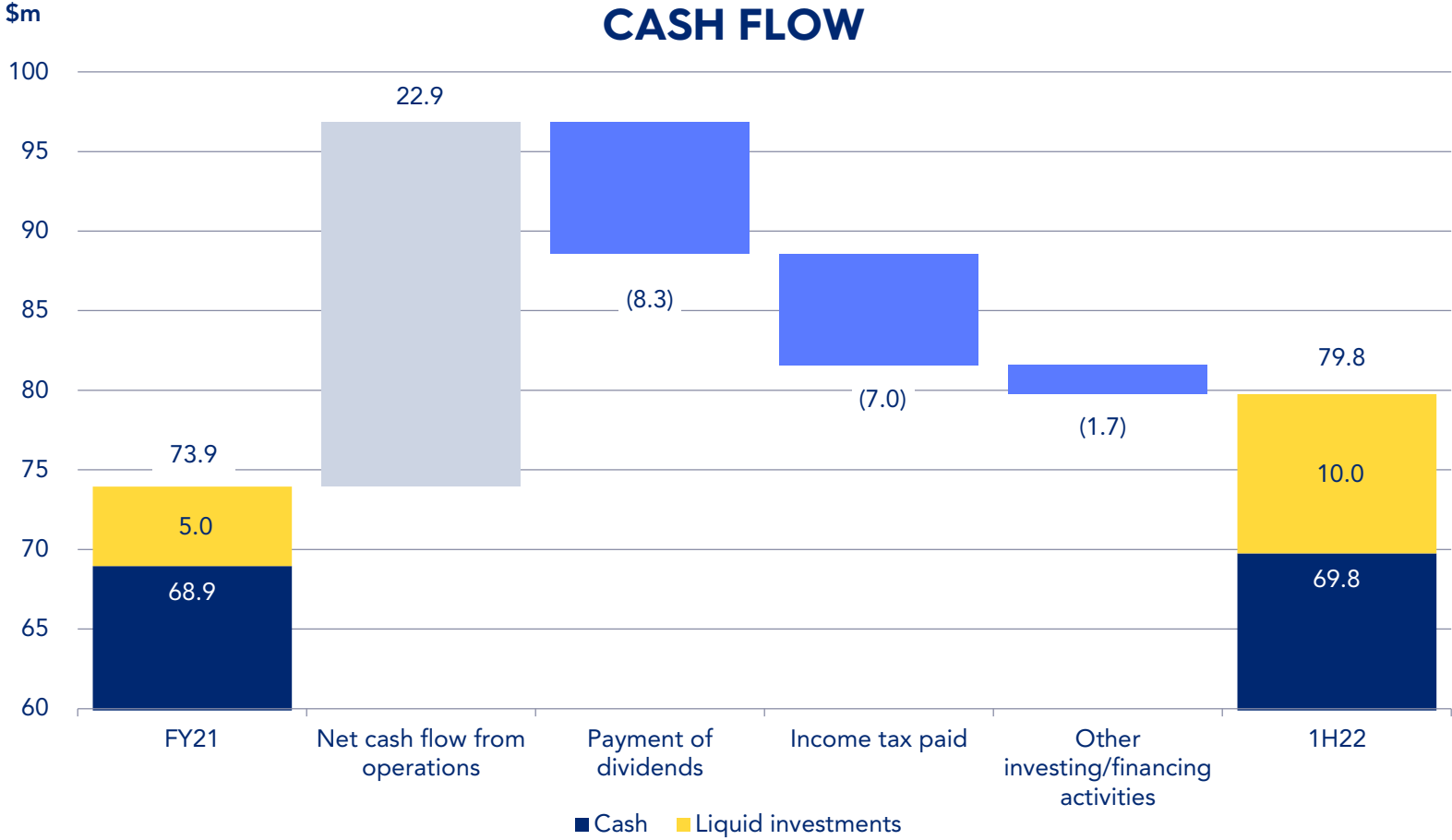


STRONG BALANCE SHEET

\$M		1H22	FY21	1H21
Assets				
Cash and liquid investments		79.8	73.9	73.9
ORFR cash		30.5	23.3	23.3
Trade receivables and accrued income		33.9	34.6	31.6
Goodwill and intangible assets		205.6	206.4	207.2
Other assets		17.3	15.7	16.0
Total assets		367.1	353.9	352.0
Liabilities				
Trade payables and other liabilities		14.2	14.8	10.4
Borrowings – Corporate Facility		10.0	10.0	16.0
Borrowings – ORFR Facilities		30.5	23.3	23.3
Other non-current liabilities		33.6	31.6	32.2
Total liabilities		88.3	79.7	81.9
Net assets		278.8	274.2	270.1
Total equity		278.8	274.2	270.1

- Debt/equity 3.6% (excluding cash backed ORFR facilities)
- Majority of cash and liquid assets supports regulatory capital requirements
- ORFR cash and debt facilities relate to specific superannuation funds in the STS business and offset one another
- Substantial headroom in covenants
- Surplus borrowing capacity
- Flexibility to take advantage of growth opportunities

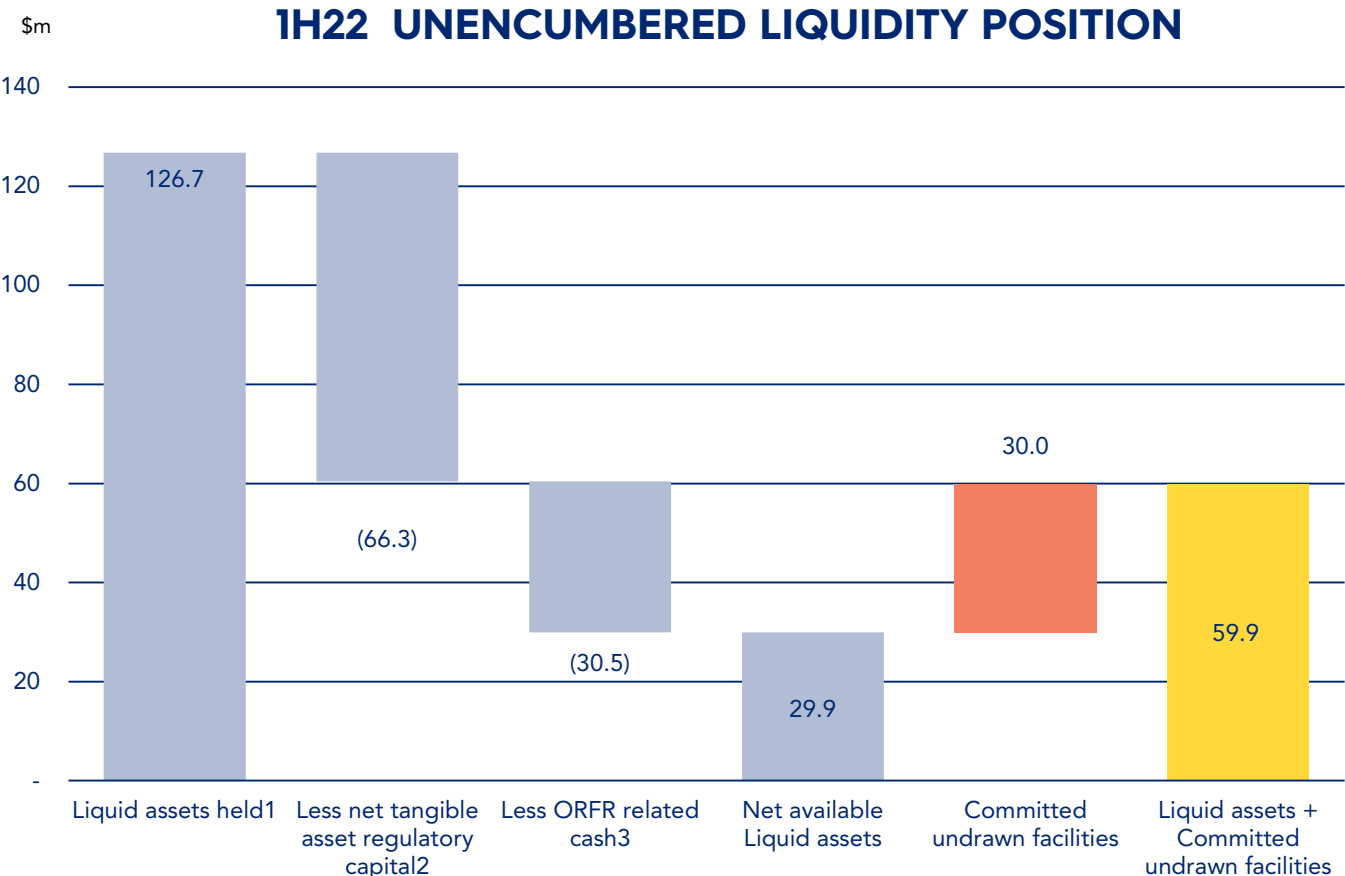
STRONG OPERATING CASH FLOW



- Consistent, high quality cash generation
- Surplus cash principally used for tax payments and dividends
- Negligible bad debts



STRONG LIQUIDITY POSITION



- Low gearing, healthy liquidity and net cash positive position
- \$96.8m regulatory capital requirement consisting of:
 - \$66.3m in net tangible assets (largely held as cash)
 - \$30.5m of ORFR related cash
- Dividend policy to pay out 70% to 90% of reported NPAT – expected to provide sufficient retained earnings to fund regulatory capital for organic growth and other growth capital needs
- Debt facility provides additional flexibility and selective investment /acquisition capacity

¹ Liquid assets is inclusive of cash, liquid investments and a ratio of receivables and accruals

² The group is required to hold a minimum of \$66.3m in net tangible assets or \$31.0m in cash. Most of EQT's net tangible assets are held via cash

³ Offset by \$30.5m in ORFR debt



SUMMARY

STRONG EARNINGS PERFORMANCE ON CONTINUED FUNDS GROWTH



Strong organic revenue growth, supported by growth in equity markets



Increased EBITDA margins to 41.5%



Underlying cost growth below revenue growth as we invest and create a foundation for more sustainable future growth



Strong cash generation



26.1% growth in underlying EBITDA demonstrating strong momentum



Sound capital position with flexibility to fund future growth



STRATEGY UPDATE AND OUTLOOK

A COMPANY FOUNDED ON TRUST



PURPOSE: HELP PEOPLE TAKE CARE OF THE FUTURE



Safeguard people's wealth now and for generations to come



Provide trustee services to help clients protect members' and investors' interests



Act as a trusted, independent partner to grow and manage clients' wealth



Empower clients to improve the lives of others and support the community

OUR VALUES



TRUSTED

We do what we say we will and put the best interests of our clients first.



ACCOUNTABLE

We own our responsibilities and speak up about ways we can do better.



EMPOWERING

We give ourselves, our workplace and our community the support, strength and confidence to grow.

TRUST IS IN DEMAND



Increasing demand for an independent fiduciary model following the Royal Commission

Regulatory landscape continues to evolve

Conflicts of interest

Increasing regulatory oversight

Changes in ownership of wealth management businesses has increased demand for Australian based provision of trustee (and associated) services

Ownership changes in financial services

Growing trend for companies to focus on what they do best

Focus on core capabilities

**KEY
INDUSTRY
DRIVERS**

Stability

Heightened expectations

COVID-19's impact on financial markets highlighted the benefits of a trusted, stable fiduciary

Community expectations of corporate behavior and trust continue to grow

GROUP STRATEGY OVERVIEW



OUR OBJECTIVES

Consistent growth in shareholder value and returns

Market leadership in our specialty areas

Reputation as a stable, enduring, trusted corporation

GROUP STRATEGY



BUSINESS GROWTH

- Capture opportunities from market demand for fiduciary independence
- Compete in additional lines of trusteeship to maximise our opportunity set
- Scale up areas of business that show greatest scope for growth
- Disciplined acquisitions in areas with greatest growth and/or synergy opportunities
- Maintain balance sheet discipline



CLIENT SERVICE

- Deliver seamless, tailored client service across our B2B and B2C clients
- Leverage technology solutions to improve client offering and streamline operations
- Provide expert market leading advice to clients.



CAPABILITY

- Resource our businesses with the best technical professionals in fiduciary services
- Build teams of committed, caring, skilled, resilient people
- Build technology and systems to drive operational efficiency and enhance client experience



COMMUNITY

- Efficient and effective management of clients' philanthropic funds
- Responsible corporate citizen with strong ESG practices
- Contribute to improving social and economic outcomes for Aboriginal and Torres Strait Islander peoples and communities
- Volunteering and supporting for-purpose organisations

BUSINESS UNIT STRATEGIES



TRUSTEE & WEALTH SERVICES (TWS)



Achieve leadership in multiple states and more lines of business



Enhance client experience



Build on presence in for-purpose market



Investing in platform and digital solutions to improve the client experience and operational efficiency.

SUPERANNUATION TRUSTEE SERVICES (STS)



Achieve further scale by securing trusteeship for large funds and helping sponsors focus on their core business



Capitalise on industry ownership changes and APRA industry changes to take on new appointments



Further increase the focus on member outcomes

CORPORATE TRUSTEE SERVICES (CTS)



Build on Australian leadership position in trustee services



Accelerate growth in Corporate Trust business



Achieve greater scale and improved profitability in UK/Ireland



TWS INITIATIVES

IMPROVED CLIENT ENGAGEMENT AND BUSINESS DEVELOPMENT

- Investment in targeted business development through strategic partners (legal industry, planners, HNW advisors)
- Expand the services provided to each client
- Commitment to philanthropic sector through launch of fourth Annual Giving Review
- Increase investment in technology to focus on excellent client service and engagement
- Re-engineering operational processes to improve service, reduce risk and provide operational leverage
- Increasing segmentation of client base to enhance service levels for HNW clients
- Streamlining trustee and advice for Health and PI clients
- Brought in-house advice to an additional 62 clients with ~\$200m FUM from external advice provider
- Eight Bays Global Equity Fund – very good start with 1.0% Alpha in first six months



STS INITIATIVES

LEVERAGING OUR INDEPENDENT TRUSTEE MODEL

- Take advantage of industry changes and potential conflicts of interest that drive strong demand for independent governance capability
- Business development focused on existing and new clients to explore partnerships and growth opportunities
- Assist superannuation funds with externalising their RSE functions
- Industrialisation of digital platforms to manage scale
- Complete APRA data transformation
- Continue to build capability by investing in people and technology to facilitate growth



CTS INITIATIVES

PROVIDING INDEPENDENT, SPECIALIST TRUSTEE AND FIDUCIARY SERVICES

- Digitise and streamline workflows to increase productivity to support strong organic growth
- Growing existing business
 - Strengthen leading proposition for quality fund managers to enter Australian retail market
 - Using our specialist expertise to structure innovative scheme solutions for superannuation funds
 - Focusing on larger scale opportunities as increasingly managers and promoters acknowledge the benefits of a specialist outsourced model
 - Continue building ASX and AQUA listed offers to assist managers in expanding distribution
- Continuing to extend into new markets in Australia
 - Structured finance offerings (debt offers, securitisations and real estate trusts)
 - Build on early wins and encouraging momentum to strengthen proposition and accelerate growth
 - Bespoke custody for real assets
- Selectively add professional resources to ensure we maintain the leading team
- Build momentum in growing UK/Ireland business
 - Managing increased requirements of FCA



INVESTING IN TECHNOLOGY

CONTINUING TO DRIVE EFFICIENCIES AND ENHANCE THE CUSTOMER EXPERIENCE

FOCUS FOR FY22-23

- EQT have continued to invest in a number of critical technology areas, enhancing the overall technology architecture and delivering enhanced technology capabilities to the business. Progress and improvements have been made to:
 - Information & Cyber Security
 - Process digitisation and automation
 - Digital solutions for clients to self serve
 - Data analytics
- A number of projects are underway aiming to deliver:
 - For the Corporate Trustee Services business unit, solutions to create scale and efficiency through process reengineering, data analytics and automation.
 - For the Superannuation Trustee Services business unit, enhancing the use of data and analytics to support improved member outcomes
 - For the Trustee Wealth Services business unit, investing in platform and digital solutions to improve the client experience and operational efficiency.
 - Upgrading the general ledger and finance systems with a modern, cloud Enterprise Resource Planning (ERP) platform.

~\$0.5M - \$1.0M FOR 2H22 PROJECTS¹ ~\$2.5 - \$3.0M¹ ALLOCATED FOR FY23 PROJECTS

¹ Majority of operational expenditure and some capital expenditure



Enrich the customer and employee experience



Enhance value creation

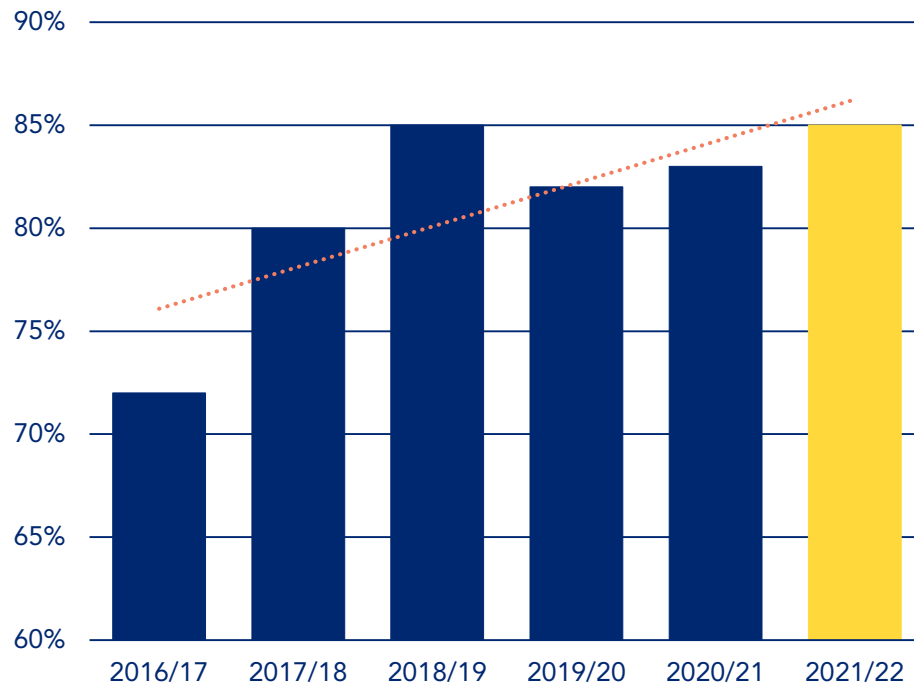


Efficient processes & operations



SOUND RISK MANAGEMENT IN AN ESCALATING REGULATORY ENVIRONMENT

RISK CULTURE – PROPORTION OF POSITIVE RESPONSES*



* across EQT averaged across all questions

SCALE, DATA MANAGEMENT AND TRUSTEE EXPERIENCE IS AN INCREASING BARRIER TO ENTRY AND OPERATION

- Maintain broad, deep and constructive relationships with APRA and ASIC
- The frequency and intensity of regulatory interaction and supervisory oversight continues to grow from both ASIC and APRA
- A new risk and compliance system to support strong growth was implemented in FY21 and 1H22
- Significant regulatory changes relating to APRA reporting, Breach & Incident Management, Design and Distribution Obligations (DDO) and Complaint Management successfully navigated
- With the new system we see increasing data and trend analysis to drive resource allocation and better manage risks, incidents and complaints



SUMMARY AND OUTLOOK

STRATEGY REINFORCED AND MOMENTUM CONTINUES

- Strategy reinforced by strong FUMAS and revenue growth
- Trend to outsource fiduciary services continues to transform industry and benefit Equity Trustees
- Strong equity markets have generated a positive impact but the conflict in Eastern Europe will likely see increased market volatility
- Growth in securitisation and other corporate trust products provide further opportunities
- Expect to continue investing in people to support growth and respond to the market
- Will invest in several material new IT developments, to deliver efficiencies and service
- Solid balance sheet provides stability in volatile times and flexibility to fund growth
- Positive momentum for FY22 and beyond



QUESTIONS



THANK YOU

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Disclaimer

The Board has authorised that this document be given to the ASX.

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