



Equity Trustees

# INVESTOR PRESENTATION

RESULTS FOR HALF YEAR ENDED 31 DECEMBER 2022

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

23 FEBRUARY 2023



# AGENDA

- (1) 1H23 OVERVIEW AND AET UPDATE**
- (2) FINANCIALS**
- (3) STRATEGY 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.



# **1H23 OVERVIEW & AET UPDATE**



# STRONG REVENUE INCREASE ON CONTINUED FUMAS GROWTH

**FUMAS\***  
**\$155.5b**

↑ Up 4.4% on 2H22

**REVENUE**  
**\$62.8m**

↑ Up 12.3% on 1H22

**NPAT**  
**\$7.6m**

Underlying NPAT \$13.0m  
↑ 11.3% on 2H22  
↑ 2.5% on 1H22

**DIVIDENDS**  
**49 cents**

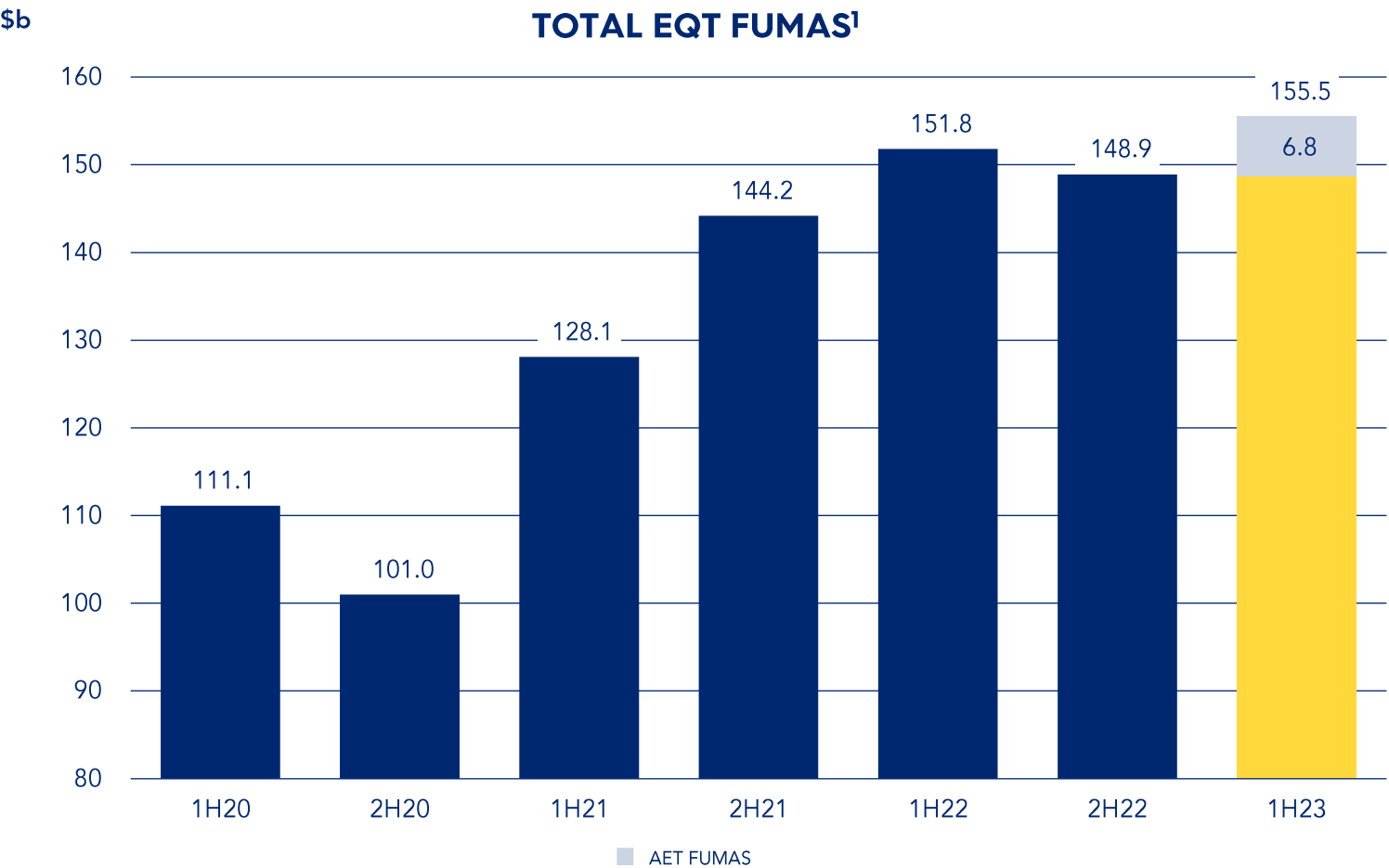
↑ Up 1 cent per share on 1H22  
Consistent with 2H22

- Strong growth in revenue reflecting:
  - Good organic growth
  - One month contribution from AET
  - More than offsetting negative investment markets
- Underlying NPAT up 11.3% on the prior half
- Statutory NPAT down on PCP primarily due to one-off acquisition / integration costs
- Stable dividend reflecting solid underlying earnings
- Balance sheet remains strong with low gearing and healthy liquidity

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



# FUMAS CONTINUES STEADY UPWARD TREND

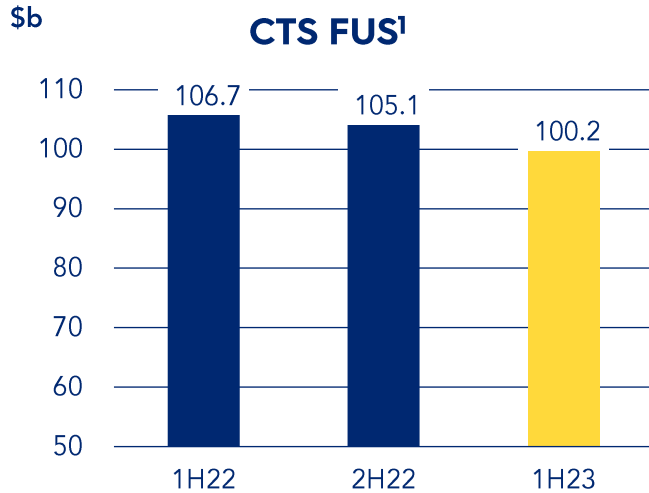


- FUMAS up 4.4% on 2H22 to \$155.5b
- Significant new business activity offset by a few client mandate losses in CTS
- AET contributes additional FUMAS of \$6.8b (at private client fee rates)

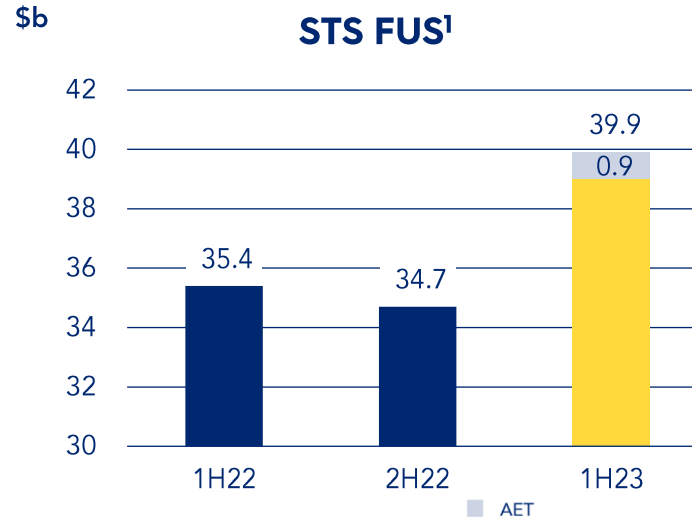
<sup>1</sup> FUMAS: Funds under management, administration, advice and supervision



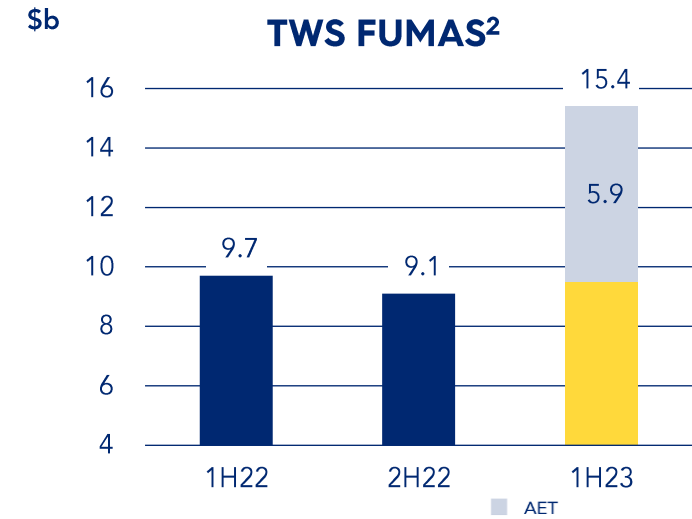
# FUMAS BENEFIT FROM ORGANIC GROWTH AND AET



- FUS down 6.1% on pcp
- Multiple new fund manager client appointments offset by a small number of client mandate losses and lower MSCI (on average)
- Dual registry quoted funds – continued expansion
- Continued growth in corporate trust appointments



- FUS up 13% on pcp
- Benefiting from increased demand for independent trustee model
- AET Small APRA Funds contributing \$0.9b



- FUMAS up 59% on pcp driven largely by AET TWS FUMAS of \$5.9b and growth in new clients offset by adverse market impact
- Our ~\$4b specialist funds management business is performing well

<sup>1</sup> FUS: Funds under supervision

<sup>2</sup> FUMAS: Funds under management, administration, advice and supervision



# TRANSFORMATION TO IMPROVE COMPETITIVE EDGE AND DRIVE GROWTH

- Growth agenda
  - Expertise in an increasingly intense regulatory environment is giving us a competitive edge
  - FUMAS and revenue remain on steady upward trend
  - Focused strategy to be Australia's leading provider of trustee services
- Building the capacity to support growth
  - AET\* acquisition highly complementary and strengthens private client capability in key growth segments
  - Major technology investment program to better serve clients, improve productivity and underpin growth
- Fulfilling our purpose of trust – caring for people and enriching the broader community

\* AET acquisition completed effective 30 November 2022



# TECHNOLOGY IMPLEMENTED IN 1H23 DELIVERING UNPRECEDENTED UPLIFT IN SERVICE CAPABILITY

## TRUSTEE & WEALTH SERVICES (TWS)

- Deployed iPhi – **December 22**
- Leading US philanthropy technology from Stellar
- Full active client base (~\$250m)
- Enables us to accelerate development of the business
- Provides client access and self-service capability

## CORPORATE TRUSTEE SERVICES (CTS)

- Deployed Salesforce platform – **November 22**
- Global leading platform for sales and client management
- Full client base (~\$100b)
- Provides foundation for business to automate processes, supports risk and compliance management and delivery of consistent service

## TWS NEW CLIENT PLATFORM

- Deployed NavOne – **December 22**
- Specialist Trust platform from TrustQuay (plus Hub24)
- AFLPA (key client) and Cash Management Fund Phase 1 (~\$700m)
- Future platform of all TWS business
- Provides client access and ability to streamline processes

## SUPERANNUATION TRUSTEE SERVICES (STS)

- Deployed industry leading trustee oversight and reporting platform – **Feb/Mar 23**
- Full client base (~\$40b)
- Provides automated APRA reporting
- Produces ~140 member outcome assessments





# DELIVERING FOR STAKEHOLDERS

## EMPLOYEE ENGAGEMENT

Engaged and enabled  
staff

- Next full survey in April
- Pulse surveys for AET
- Staged return to hybrid workplace
- Last results
  - Improved staff engagement rating from 68% to 71%
  - Improved staff enablement rating from 70% to 73%

## CLIENT SATISFACTION

Net Promoter score (NPS)<sup>1</sup>  
Net Loyalty score (NLS)<sup>2</sup>

- Next survey in April
- Last results
  - Satisfaction increased from 79% to 83%
  - NPS improved from +16 to +28
  - NLS improved from +12 to +41

## SHAREHOLDER VALUE

Earnings Per Share (EPS)  
and dividend

- Underlying EPS down 11% on 1H22 and down 3.2% on 2H22 primarily due to timing of capital raise vs acquisition
- Dividend maintained at 49cps

## COMMUNITY IMPACT

Granting and pro bono/  
volunteering

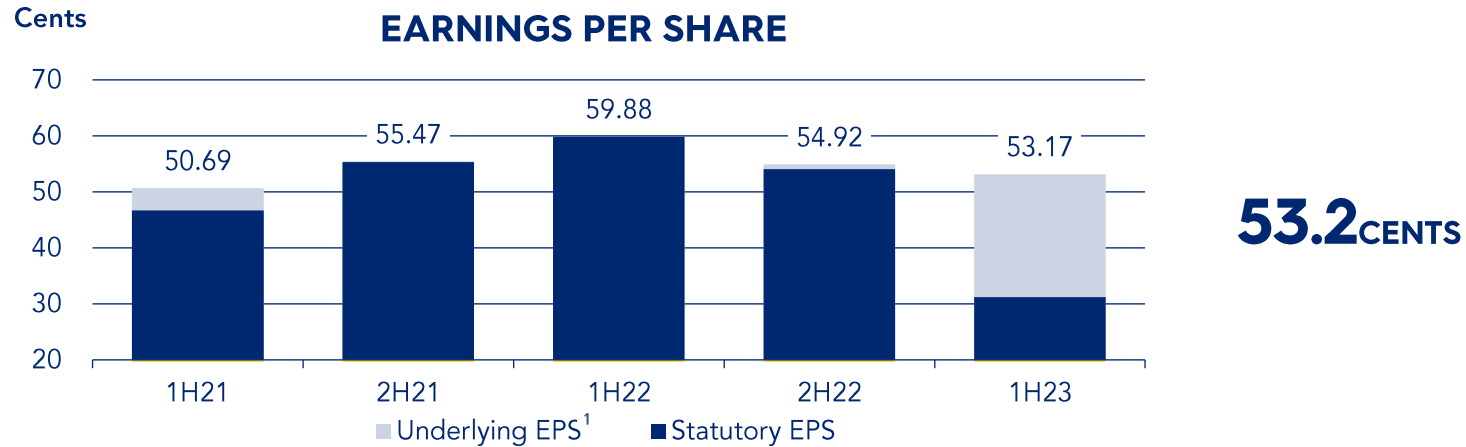
- Launched 5<sup>th</sup> Annual Giving Review, celebrating \$92m in grants in FY22
- Employee volunteer levels increasing

<sup>1</sup> Net Promoter score – net measure of client willingness to recommend EQT

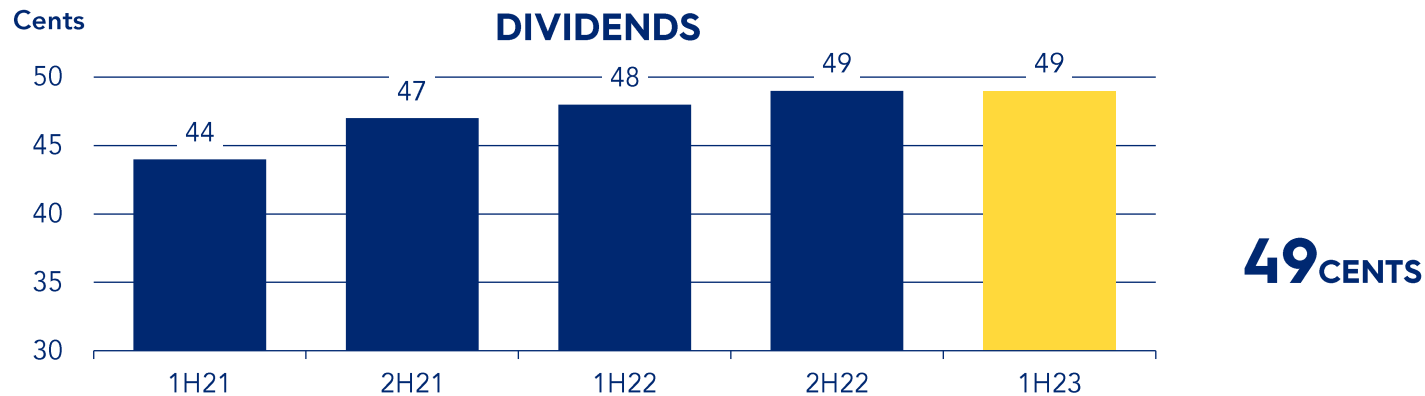
<sup>2</sup> Net Loyalty score – net measure of clients prepared to purchase another EQT product or service



# DELIVERING FOR SHAREHOLDERS



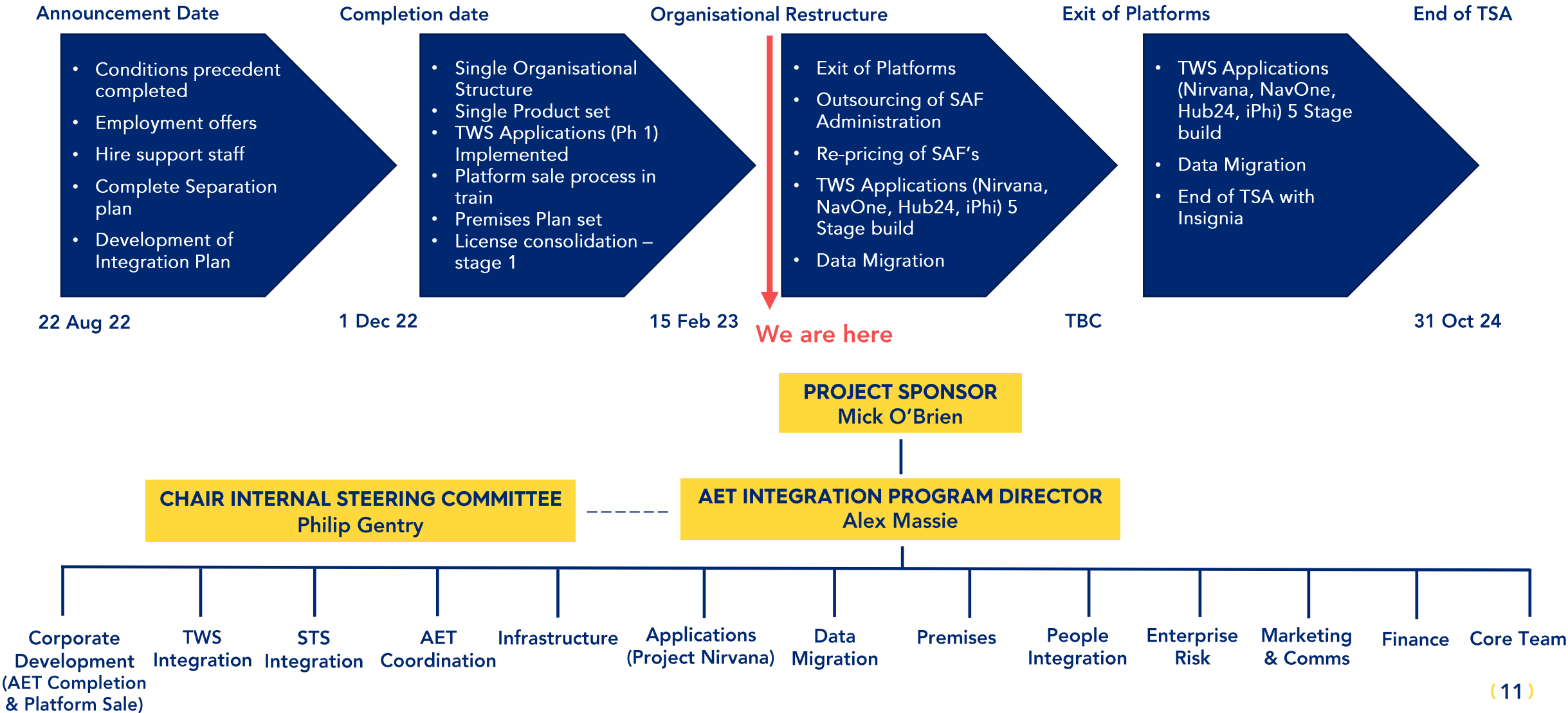
- Statutory EPS down primarily reflecting
  - One-off acquisition / integration costs
  - Recent capital raise and only 1 months' earnings from AET
  - Underlying EPS down 3.2% on 2H22 and down 11.2% on 1H22



- Dividend stable at 49 cents reflecting strength of underlying performance

<sup>1</sup> Underlying net profit after tax (UNPAT) excludes significant items. For 1H23 adjustments relate to M&A costs incurred during the period relating to the Group's acquisition and integration of AET of \$4.4m post-tax, as well as one-off costs of \$0.96m post-tax associated with the implementation of technology & transformation projects currently being undertaken by the Group. In 2H22, UNPAT excludes M&A project costs incurred.

# AET INTEGRATION – STRONG GOVERNANCE AND DELIVERY ON TRACK





# AET INTEGRATION PROGRESSING WELL

## PEOPLE

- Common 'trustee' mindset
- Building cultural alignment
- Secured all key employees

## PRODUCT

- TWS and AET new business pricing aligned
- SAF new prices being implemented in March
- Aligning investment approaches
- Reviewing Brand strategy

## PREMISES

- Staff co-located in all states
- New premises being established in:
  - Perth
  - Brisbane

## ORGANISATION STRUCTURE

- Client facing leaders and staff fully combined in February
- Five clear Business Units:
  1. Private Wealth & Partnerships
  2. Private Trustee Services
  3. Philanthropy and Community Trusts
  4. Technical support and Assurance
  5. Small APRA Funds

## GOVERNANCE

- Consolidated License usage for Advice and Estate Planning
- Established plan for ultimate license consolidation and capital release
- Embedding EQT governance
- Implementing EQT risk framework and controls

## OTHER

- Interaction with Insignia working well
- Communications rolled out successfully
- Websites aligned
- Distribution partners all engaged



# SYNERGIES & IMPLEMENTATION COSTS ON TRACK

	NET COST SYNERGIES	REVENUE SYNERGIES	IMPLEMENTATION COSTS	CAPITAL RELEASE
Targeted amount	\$3.5m pa	\$3.3m pa	\$22m	\$10m
Timing	Run-rate in FY25	By FY24	Across FY23, FY24 & 1H25	End 2024
Key sources	<ul style="list-style-type: none"><li>• Exit from PMS &amp; SMSF</li><li>• Exit from Safety Deposit business</li><li>• SAF repricing</li><li>• Other synergies</li></ul>	Investment management revenue synergies where it is in the best interests of trustee clients/beneficiaries	<ul style="list-style-type: none"><li>• Technology and operations integration</li><li>• Transition Services from Insignia</li><li>• Other</li></ul>	Licence and operational consolidation
Status	Depends on nature/timing of exit of PMS/SMSF businesses and dis-synergies of additional BU support people required for the total business.	Expectation that targeted revenue synergies can be achieved and increasing confidence in potential for additional synergies.	On-track	On-track



# SUMMARY

## STRONG PERFORMANCE WITH CONTINUED GROWTH MOMENTUM



FUMAS increasing to \$155.5 billion, supported by organic growth and the acquisition of AET



Major technology investment creating a foundation for more sustainable future growth



Statutory EPS impacted by one-off acquisition / integration costs, increased technology investment and adverse markets



Continuing to deepen our community impact



AET Integration proceeding very well



Delivering for all stakeholders



# **FINANCIALS**



# ROBUST FINANCIAL PERFORMANCE

FOR THE PERIOD	1H23	2H22	1H22	1H23 v 2H22 %	1H23 v 1H22%
Total revenue (\$m)	62.8	55.6	55.9	12.8	12.3
Total expenses (\$m)	49.6	38.2	36.1	29.7	37.3
EBITDA (\$m)	16.3	20.7	23.2	(21.3)	(29.7)
EBIT (\$m)	14.4	18.8	20.7	(23.4)	(30.4)
Net profit before tax (NPBT \$m)	13.2	17.4	19.8	(24.3)	(33.3)
Income tax expense (\$m)	6.3	6.8	7.7	(7.4)	(18.2)
Net profit after tax (NPAT) (\$m)	7.6	11.5	12.7	(33.6)	(39.9)
<sup>1</sup> Underlying net profit after tax (UNPAT) (\$m)	<b>13.0</b>	<b>11.7</b>	<b>12.7</b>	<b>11.3</b>	<b>2.5</b>
Statutory earnings per share (EPS) (cents)	31.21	54.06	59.88	(42.3)	(47.9)
<sup>1</sup> Underlying earnings per share (EPS) (cents)	<b>53.17</b>	<b>54.92</b>	<b>59.88</b>	<b>3.2</b>	<b>(11.2)</b>
Dividends (cents per share)	49	49	48	-	2.1
<sup>1</sup> Underlying EBITDA (\$m)	<b>22.2</b>	<b>20.9</b>	<b>23.2</b>	<b>6.20</b>	<b>(4.3)</b>
<sup>1</sup> Underlying EBIT (\$m)	<b>20.3</b>	<b>19.0</b>	<b>20.7</b>	<b>6.80</b>	<b>(1.9)</b>

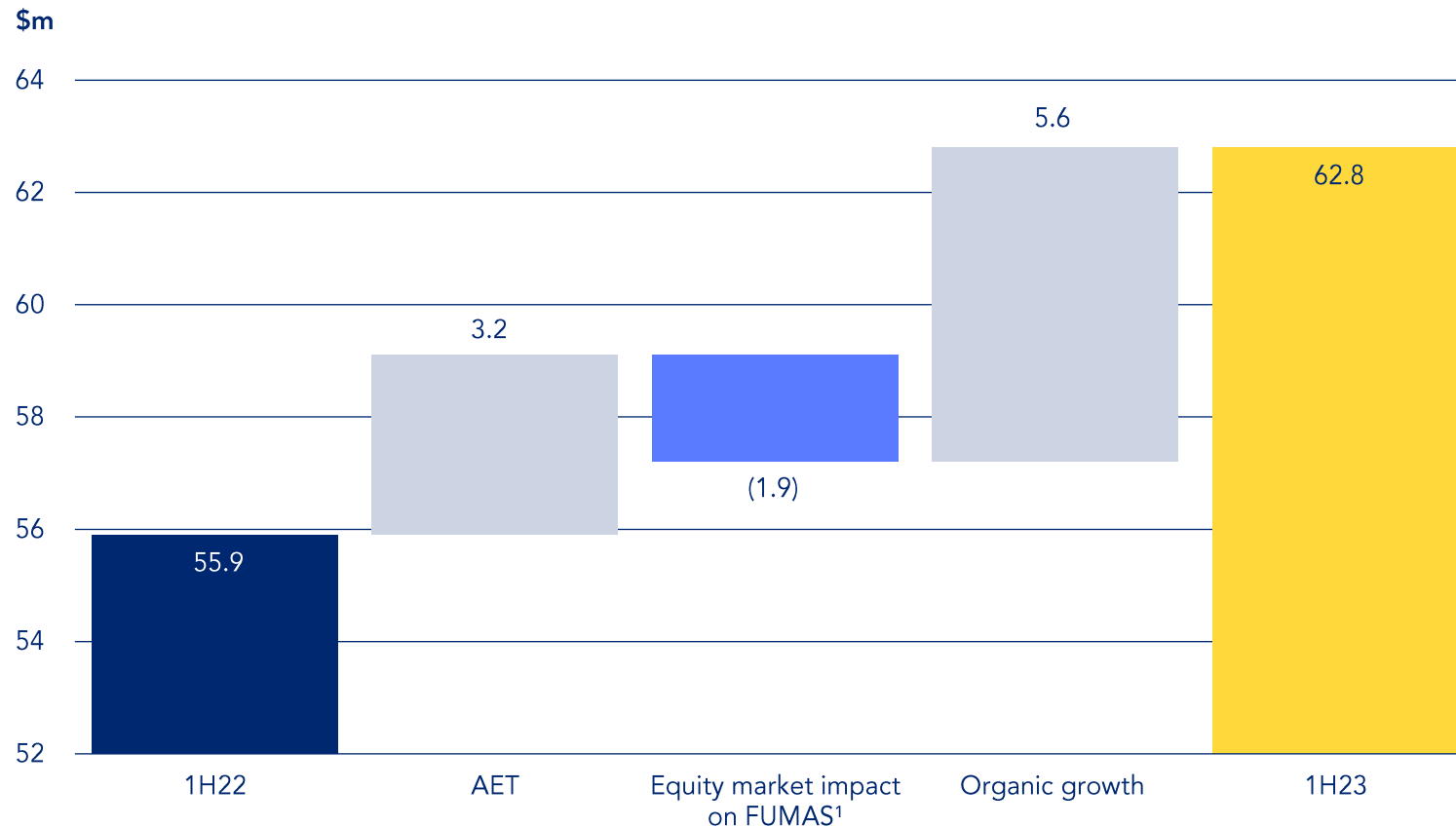
- Strong revenue growth up 12.3% including one month contribution from AET
- Expense growth reflecting one-off acquisition and integration costs, one-month AET contribution and higher levels of technology investment
- UNPAT up 11.3% on 2H22 and up 2.5% on 1H22 despite adverse markets
- Statutory EPS of 31.21c well down largely reflecting one-off acquisition / integration costs
- Underlying EPS of 53.17c down 3.2% on 2H22

<sup>1</sup> Underlying net profit after tax (UNPAT) excludes significant items. For 1H23 adjustments relate to M&A costs incurred during the period relating to the Group's acquisition and integration of AET of \$4.4m post-tax, as well as one-off costs of \$0.96m post-tax associated with the implementation of technology & transformation projects currently being undertaken by the Group. In 2H22, UNPAT excludes M&A project costs incurred.





# STRONG REVENUE GROWTH



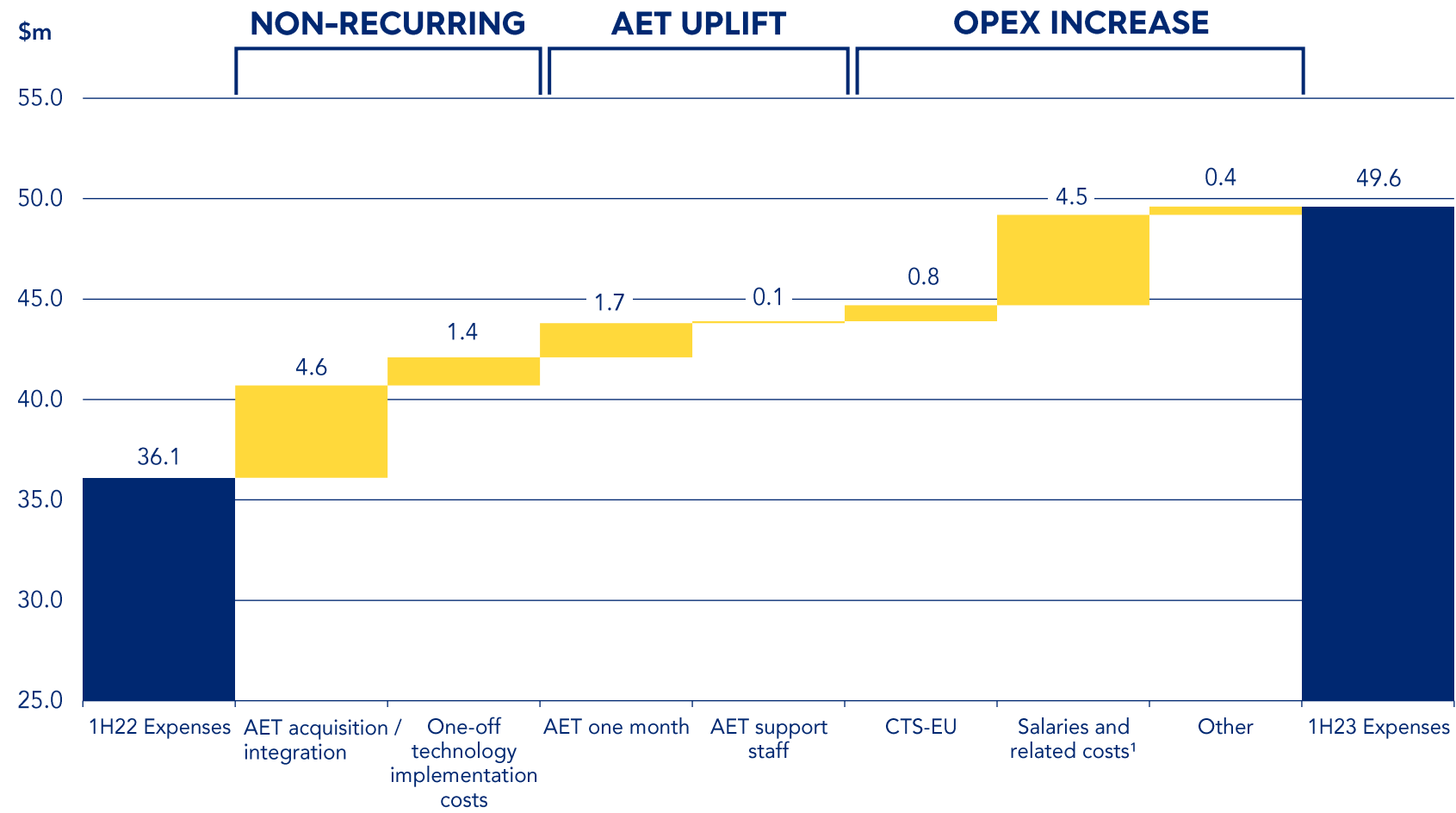
- 12.3% growth in revenue on the prior corresponding period despite adverse markets driven by:
  - Double digit organic growth of 10%
  - Good organic revenue growth across all three business units
  - One month contribution from AET

<sup>1</sup> FUMAS: Funds under management, administration, advice and supervision

- Market impact on FUMAS correlated approx. 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

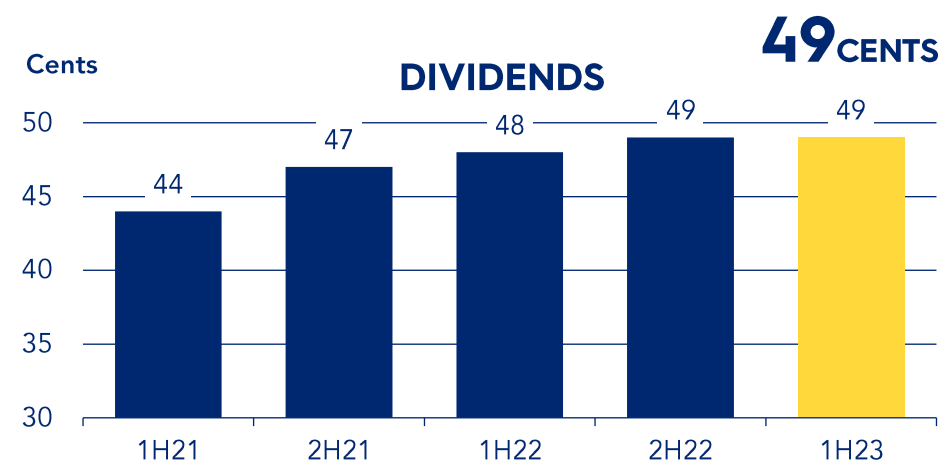
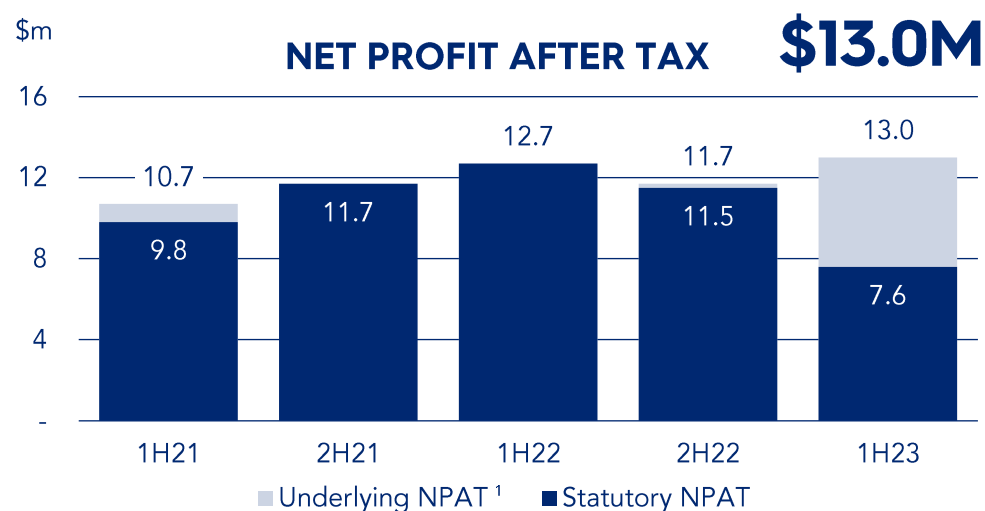
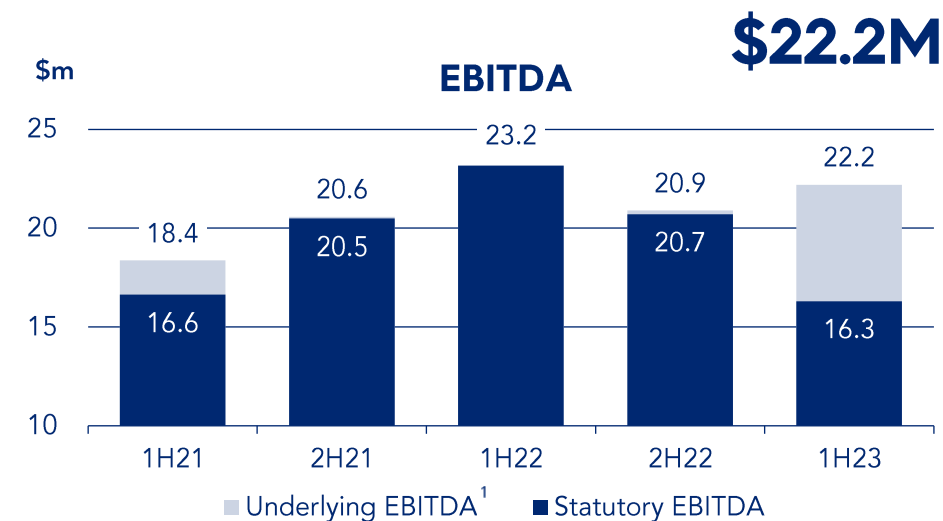
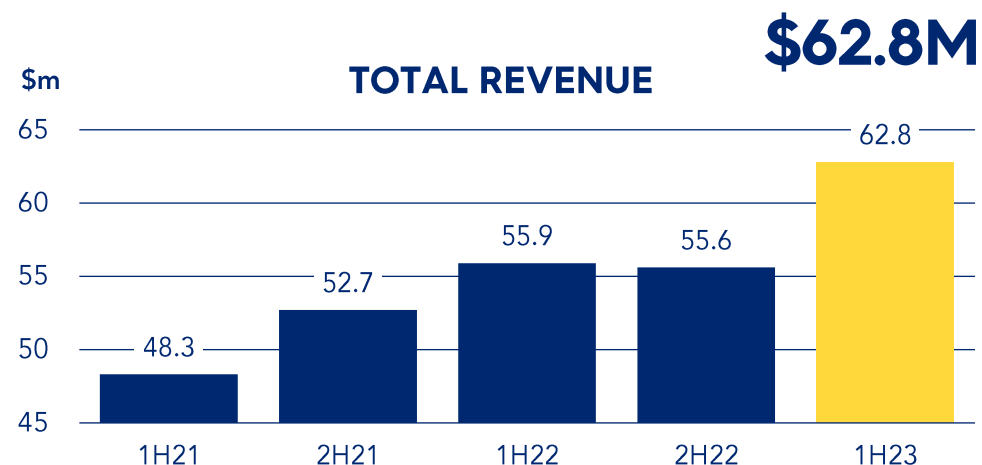
# EXPENSE ANALYSIS



- Non-recurring costs of \$6m associated with AET acquisition / integration and one-off technology implementation costs
- Increase in salaries and related costs driven by:
  - Significant reduction in vacancy levels
  - Higher costs of replacement staff
  - Targeted investment in revenue BU's to support growth

<sup>1</sup> Excluding CTS-EU and AET

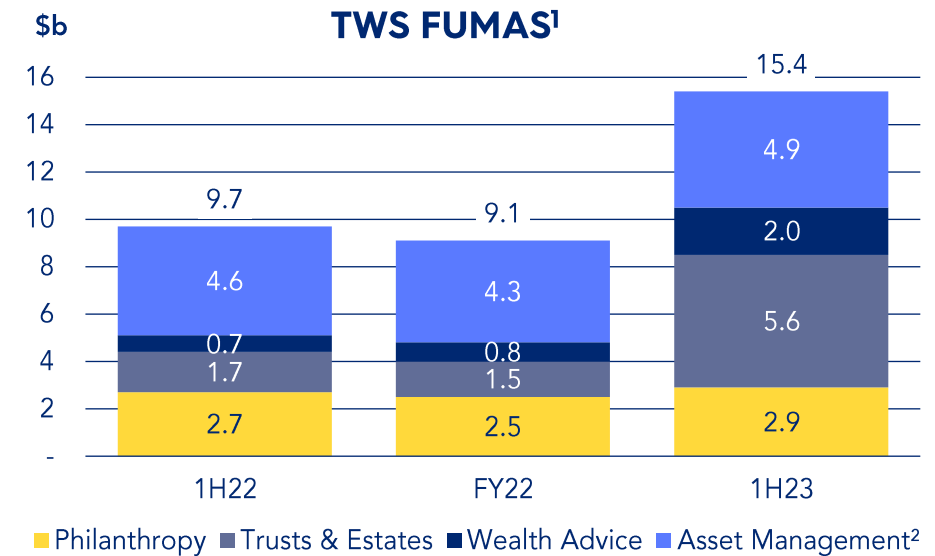
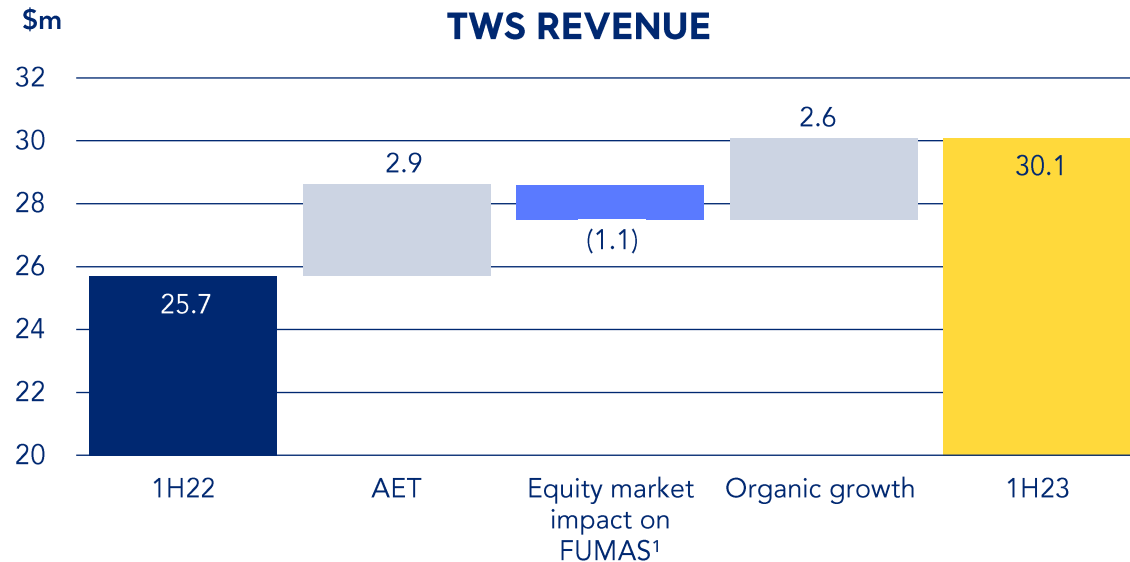
# CONTINUED IMPROVEMENT ON KEY FINANCIAL MEASURES



<sup>1</sup> Underlying net profit after tax (UNPAT) excludes significant items. For 1H23 adjustments relate to M&A costs incurred during the period relating to the Group's acquisition and integration of AET of \$4.4m post-tax, as well as one-off costs of \$0.96m post-tax associated with the implementation of technology & transformation projects currently being undertaken by the Group. In 2H22, UNPAT excludes M&A project costs incurred.



# TWS – SIGNIFICANT GROWTH IN REVENUE DRIVEN BY ORGANIC GROWTH AND 1 MONTH AET CONTRIBUTION



- Strong organic revenue growth of 10% partially offset by adverse markets
- One month contribution from AET of \$2.9m
- Increase in FUMAS from AET of \$5.9b

<sup>1</sup> FUMAS: Funds under management, administration, advice and supervision

- Market impact of FUMAS links ~50% of TWS revenue to the average ASX 200 index

<sup>2</sup> Asset Management includes TWS Investment Mandates, Superannuation Mandates and Common Funds

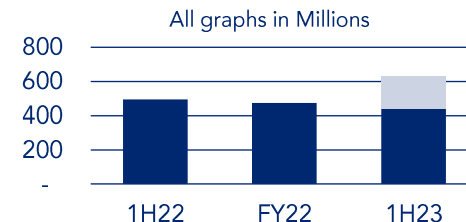


# TWS – IMPACT OF AET ACQUISITION

## CORE TRUSTEE SERVICES FUMAS<sup>1</sup>

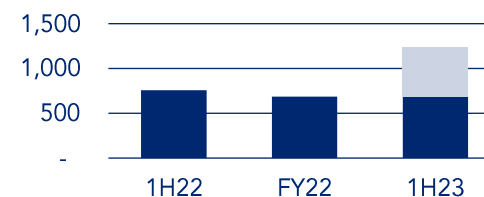
### Estate Management

- Number of estates doubled
- Consistently winning appointments from legal channel



### Continuing Trusts

- FUMAS is doubled
- Significant new trust onboarded



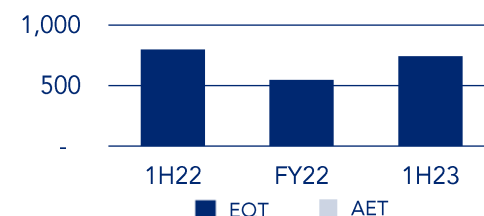
### Perpetual Charitable Trusts

- AET clients to benefit from EQT scale and team capability



### Advice

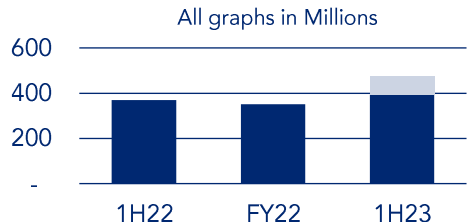
- Little impact from acquisition
- Strong new business wins



## EMERGING MARKETS FUMAS<sup>1</sup>

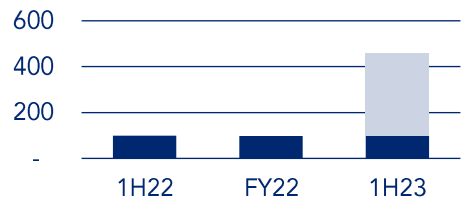
### Active Philanthropy

- iPhi platform launched
- Strong new business growth
- AET clients to benefit from EQT scale



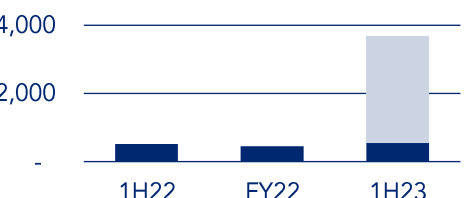
### Community & Native Title Trusts

- AET creates significant scale
- Deepens presence in The Pilbara



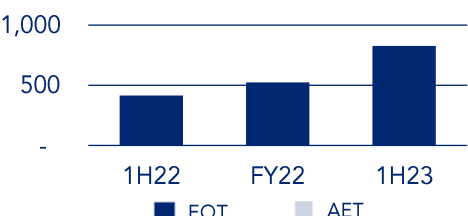
### Health & Personal Injury Trusts

- AET creates significant scale
- Strong new business wins



### Investment Mandates

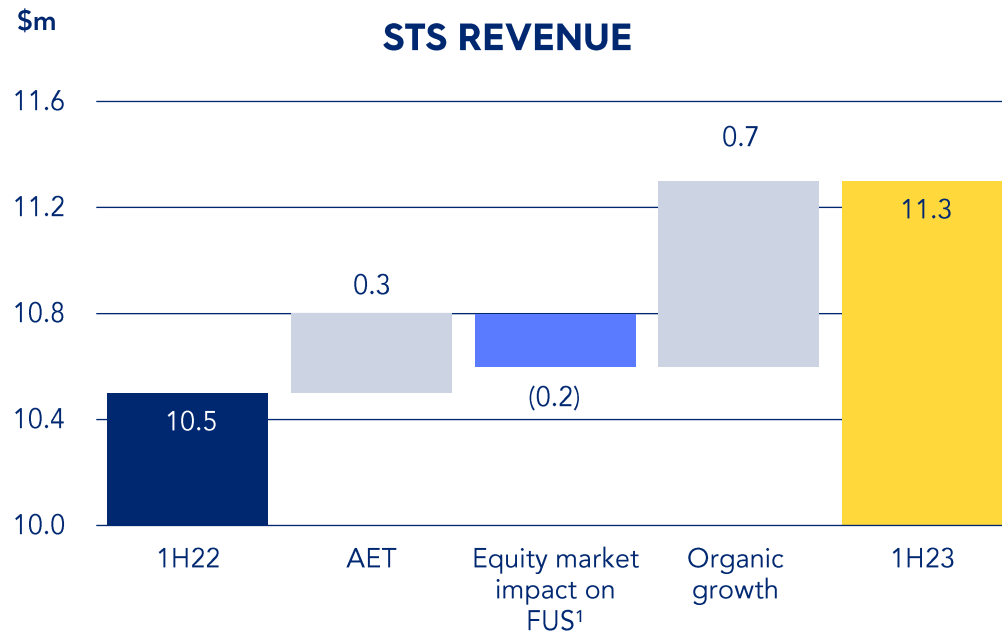
- Onboarded significant new clients
- Capitalising on strong performance



<sup>1</sup> FUMAS: Funds under management, administration, advice and supervision  
Allocation of some FUMAS may change as we integrate the AET clients

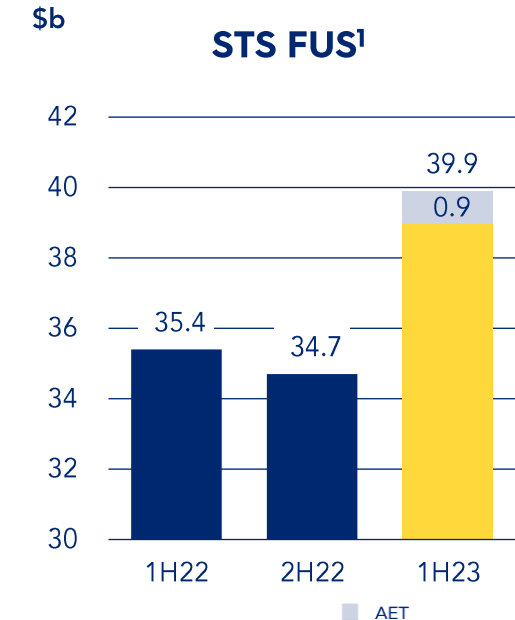
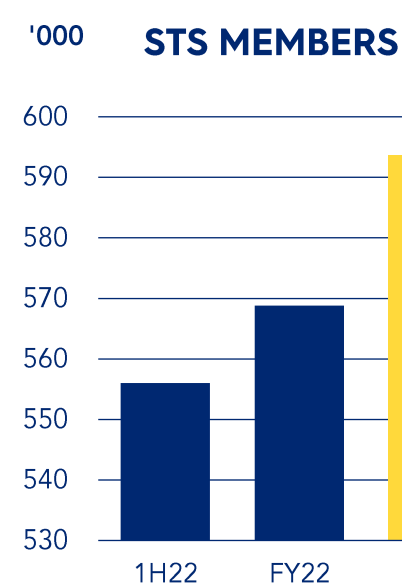


# STS – CONTINUING GROWTH TRAJECTORY



## KEY DRIVERS INCLUDE:

- Super Simplifier FUS \$923m
- AET FUS \$885m
- Raiz Invest Super \$120m
- Full half impact of the appointment to Platformplus Super Wrap



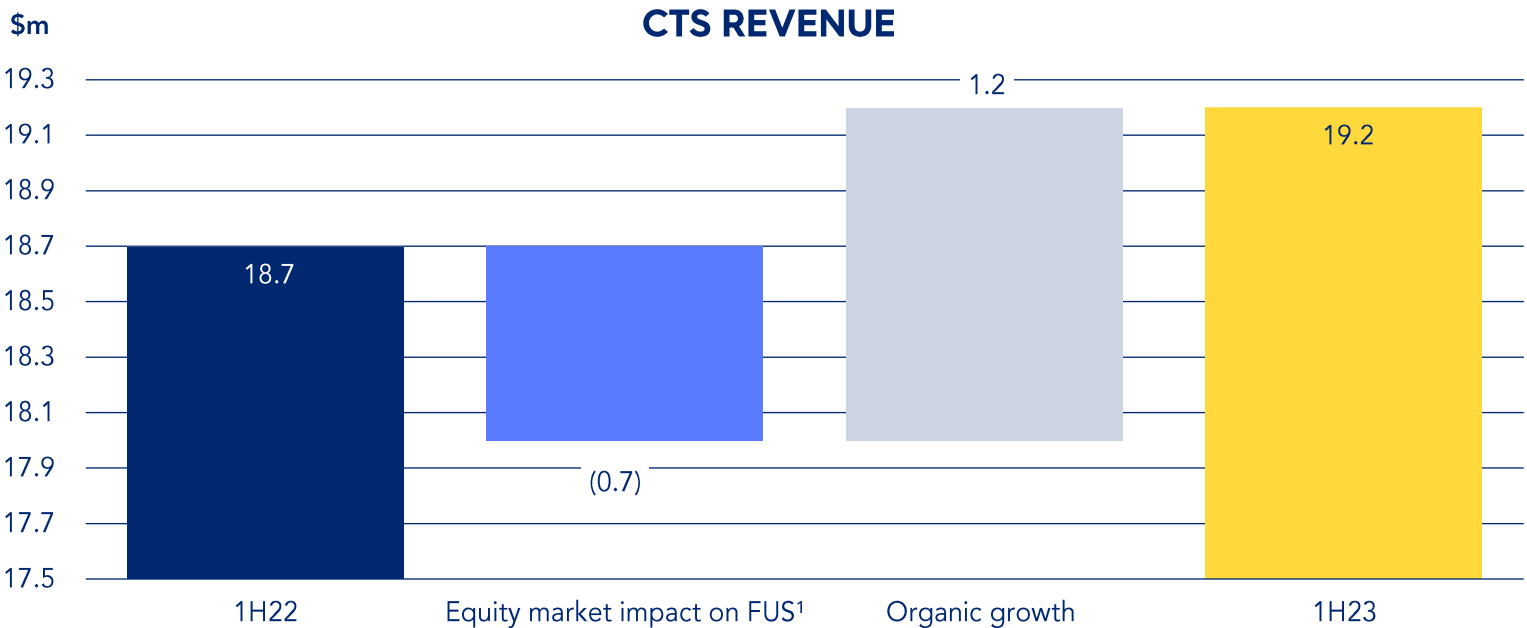
## SUPERANNUATION MEMBERS

- Total members ~ 590k
- Membership up 4.2% YTD owing to organic growth (HUB24 & Smart Future Trust) and new appointments (Super Simplifier, Raiz and AET)

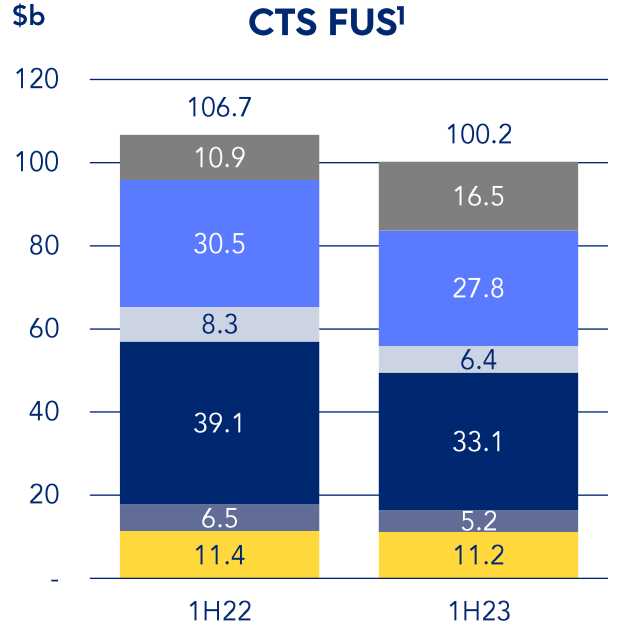
<sup>1</sup> FUS: Funds under supervision – Market impact on FUS links ~30% of STS revenue to the average ASX200 index.



# CTS – STRENGTHENED MARKET LEADERSHIP



- Good underlying organic revenue growth of 6.4% partially offset by adverse markets
- New funds include: FSREC, GCQ, AEMO, Octopus Australia, Arrow Capital, Milford Australia, Hejaz, Global Infrastructure Partners, Coolabah Capital and Clearlife Capital
- Currently establishing over 40 funds which are expected to be launched in the next 6+ months
- Increase in global asset managers entering the market, interest in listed funds remains high
- Strong pipeline of new business across all products including DCM and Custody

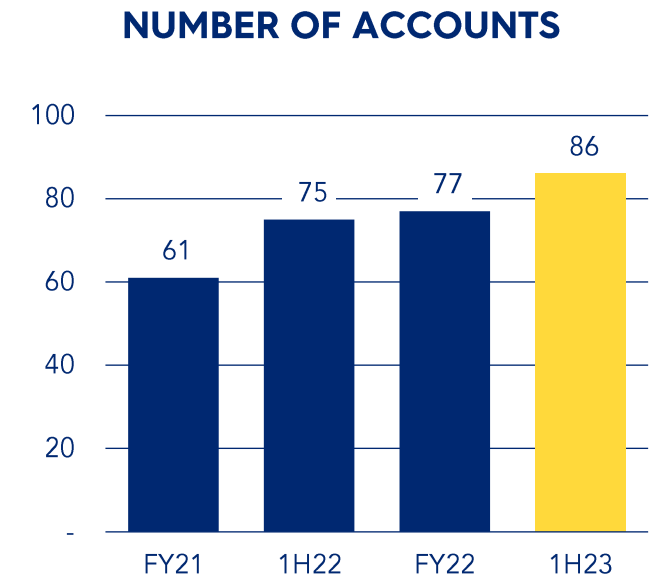
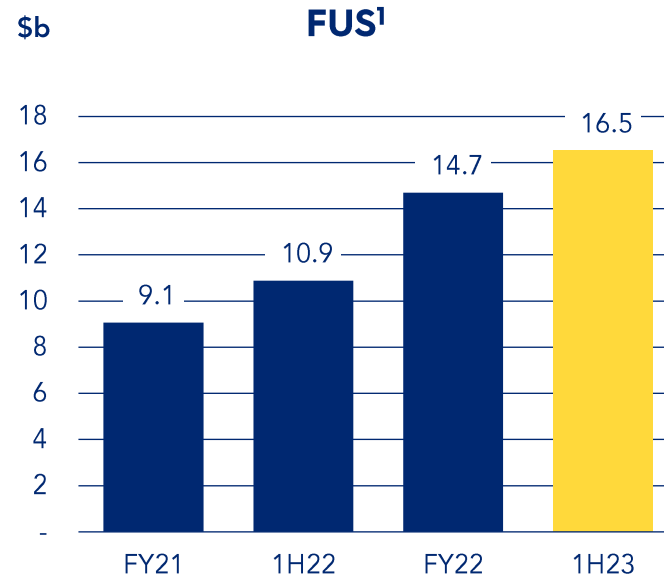
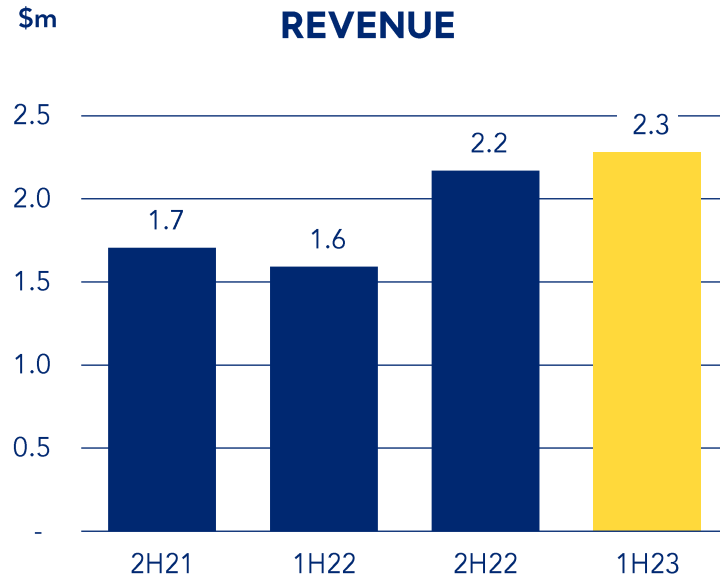


- Australian Equities
- Australian Fixed Interest
- Global Equities
- Global Fixed Interest
- Other (Property, Multi-Strategy, Alternatives)
- DCM/Custody

<sup>1</sup> FUS: Funds under supervision  
Market impact on FUS links ~50% of CTS revenue to the average MSCI World index



# CTS – CUSTODY, DEBT AND SECURITISATION SERVICES



- Significant growth in 'Custody and Property' transactions in 1H23 increasing market share in property related transactions
- Key mandates include Sydney Airport parcel, Fort Street Real Estate Capital, Octopus Australia and HMC Capital
- Strong pipeline of new transactions across property, infrastructure, cash and escrow
- Slower start to FY23 for debt following the rapid increase in interest rates and less clear economic outlook
- Won a large multi-facility syndicated loan markets book of work for a leading property developer
- Now on multiple leading bank's ABS panel

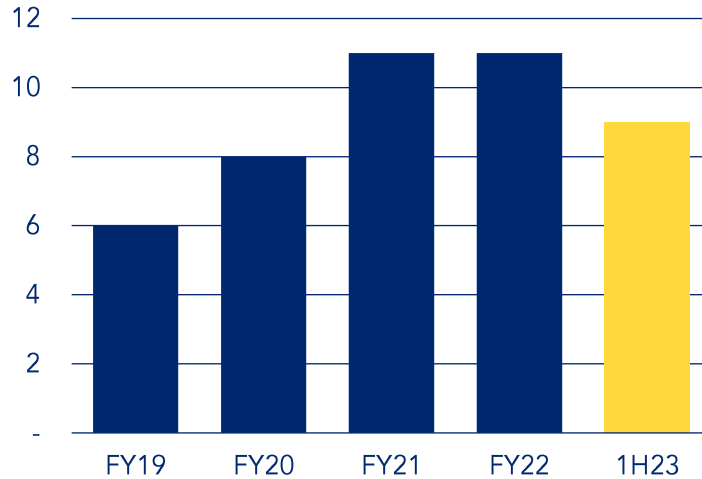
<sup>1</sup> FUS: Funds under supervision



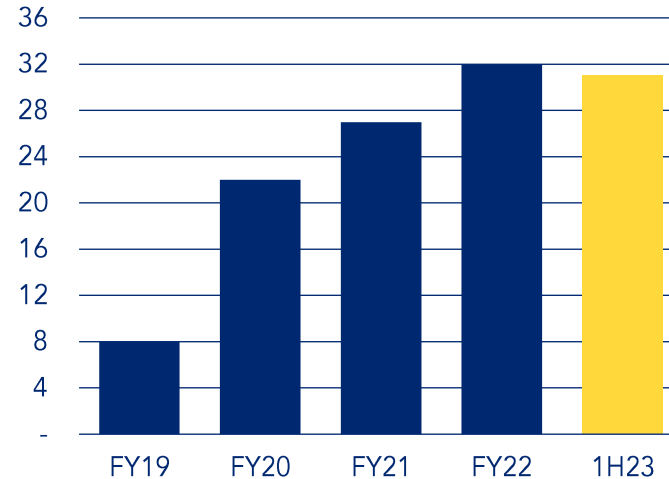
# CTS – UK/IRELAND



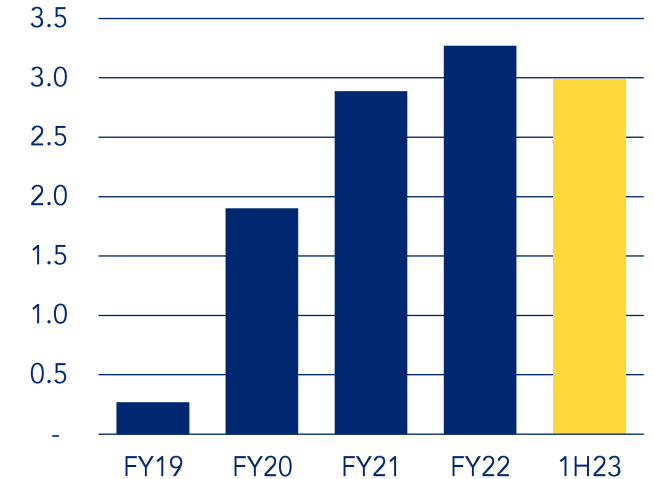
NO. CLIENTS



NO. FUNDS



£b TOTAL FUMAS



- Slightly lower FUMAS principally reflecting adverse markets and exit of small, uneconomic clients
- 2 new clients launched in 2H23, with approval being sought for 2 more to also launch in 2H23
- Australian Investment Manager appointed in Ireland in 2H23
- Pipeline developing primarily through referrals from existing clients and suppliers. Evidence that our reputation and brand in the UK and Europe is strengthening
- Continue to explore options to improve performance



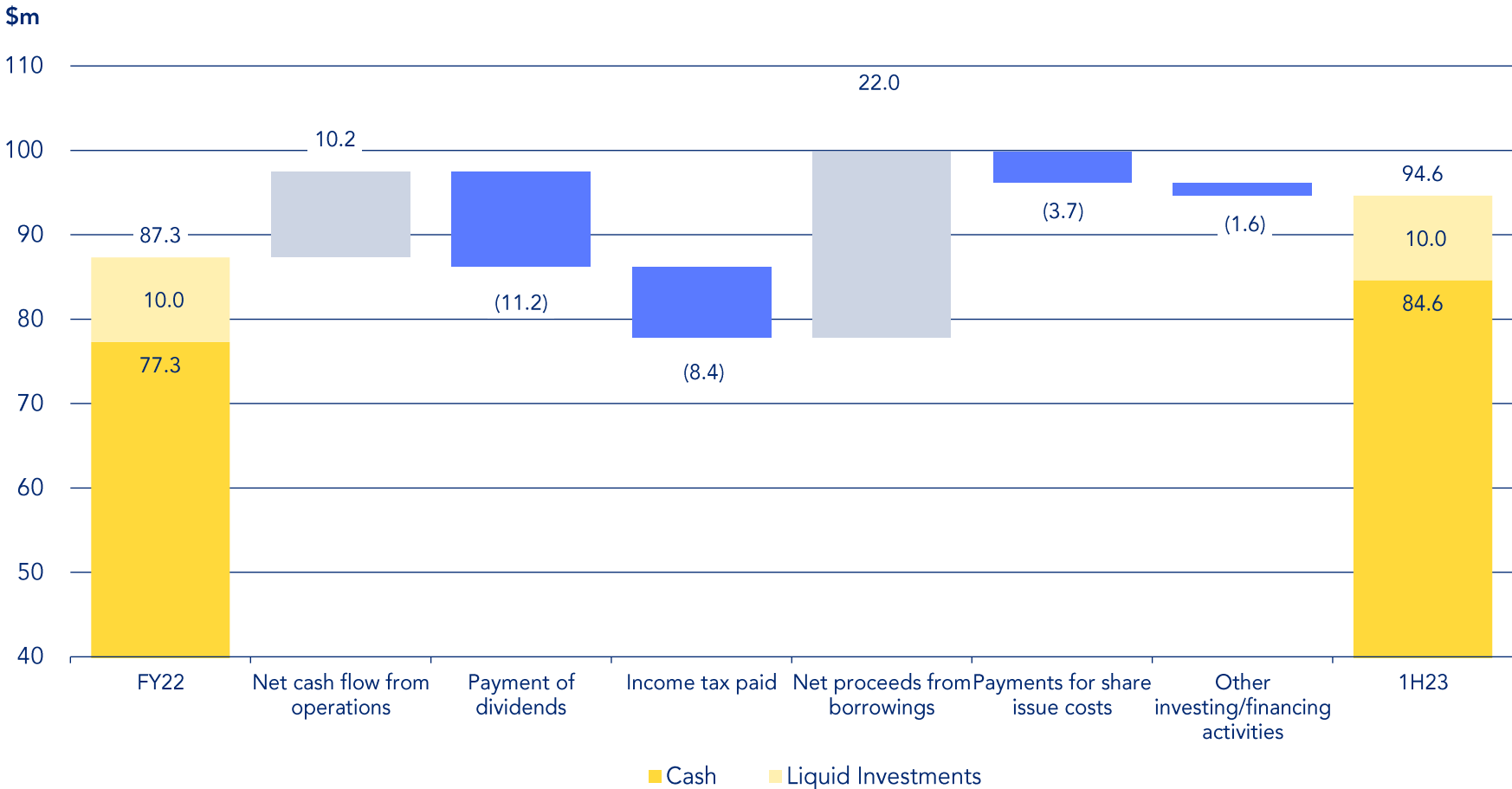
# STRONG BALANCE SHEET

\$M		1H23	FY22	1H22
<b>Assets</b>				
Cash and liquid investments		94.6	87.3	79.8
ORFR cash		14.4	31.0	30.5
Trade receivables and accrued income		45.0	30.9	33.9
Goodwill and intangible assets		328.0	205.2	205.6
Other assets		19.9	16.7	17.3
<b>Total assets</b>		<b>502.0</b>	<b>371.2</b>	<b>367.1</b>
<b>Liabilities</b>				
Trade payables and other liabilities		20.6	16.6	14.2
Borrowings – Corporate Facility		32.0	10.0	10.0
Borrowings – ORFR Facilities		14.4	31.0	30.5
Other non-current liabilities		35.2	32.2	33.6
<b>Total liabilities</b>		<b>102.3</b>	<b>89.8</b>	<b>88.3</b>
<b>Net assets</b>		<b>399.7</b>	<b>281.3</b>	<b>278.8</b>
<b>Total equity</b>		<b>399.7</b>	<b>281.3</b>	<b>278.8</b>

- Debt/equity 8% (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



# SOLID OPERATING CASH FLOW

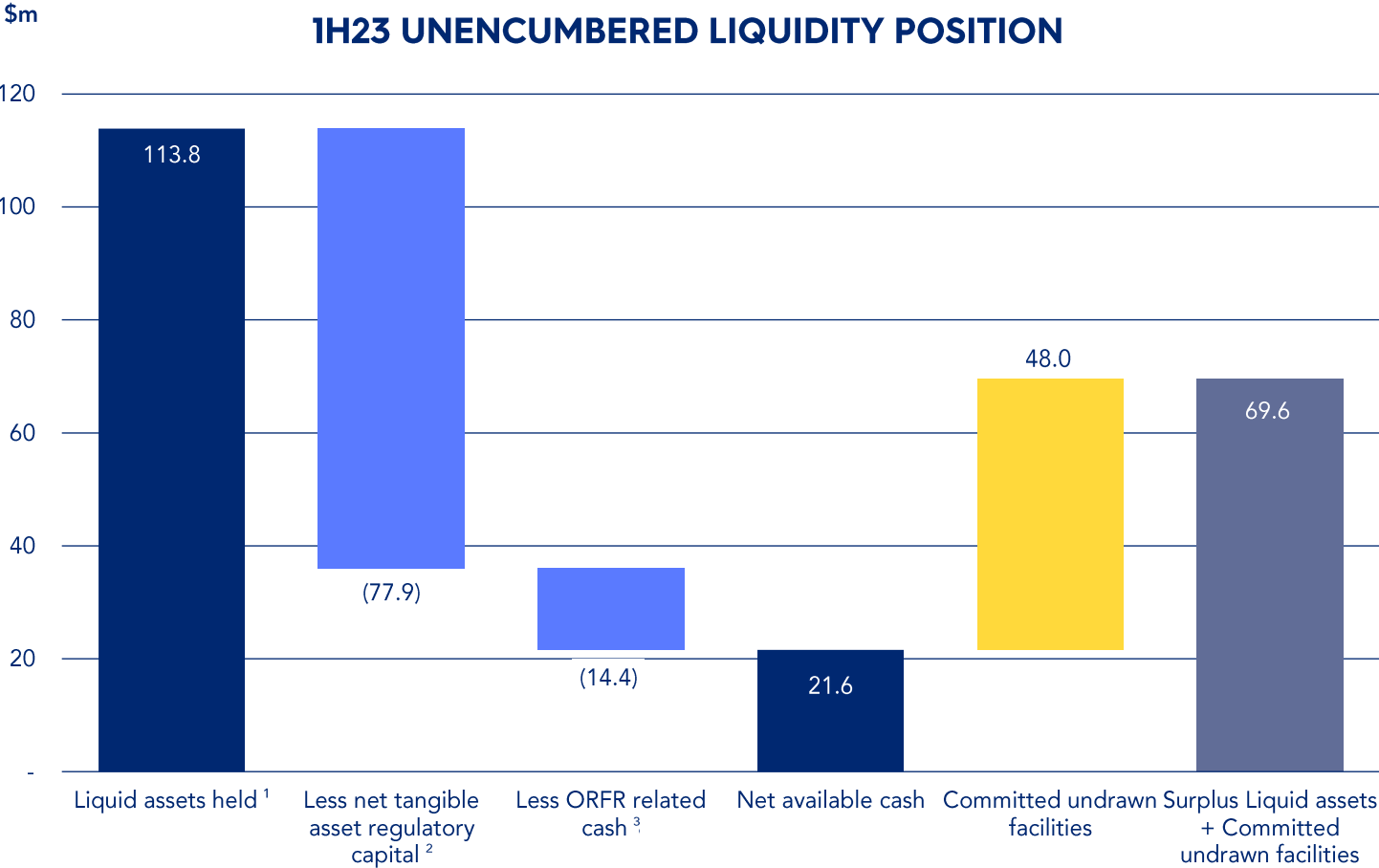


- Healthy cash generation
- Borrowings relate to funding and integration for AET acquisition
- Timing of collections expected to materially improve in the second half
- Negligible bad debts

Note 1: Cash and liquid investments excludes ORFR cash



# STRONG LIQUIDITY POSITION



- Low gearing and healthy liquidity
- \$92.3m regulatory capital requirement consisting of:
  - \$77.9m in net tangible assets (largely held as cash)
  - \$14.4m of ORFR related cash
- Debt facility provides additional flexibility and selective investment /acquisition capacity

<sup>1</sup> Liquid assets is inclusive of cash, liquid investments and a ratio of receivables and accruals  
<sup>2</sup> The group is required to hold a minimum of \$77.9m in net tangible assets or \$31.0m in cash. Most of EQT's net tangible assets are held via cash  
<sup>3</sup> Offset by \$14.4m in ORFR debt



# SUMMARY

## STRONG EARNINGS PERFORMANCE ON CONTINUED FUNDS GROWTH



Strong organic revenue growth despite adverse equity markets



AET performing as expected and integration on track



Higher expenses largely due to one-off acquisition/ integration costs and increased investment



Strong cash generation



Statutory NPAT impacted by one-off costs. Underlying NPAT solid



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.

# 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 with prudent cost control
- 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

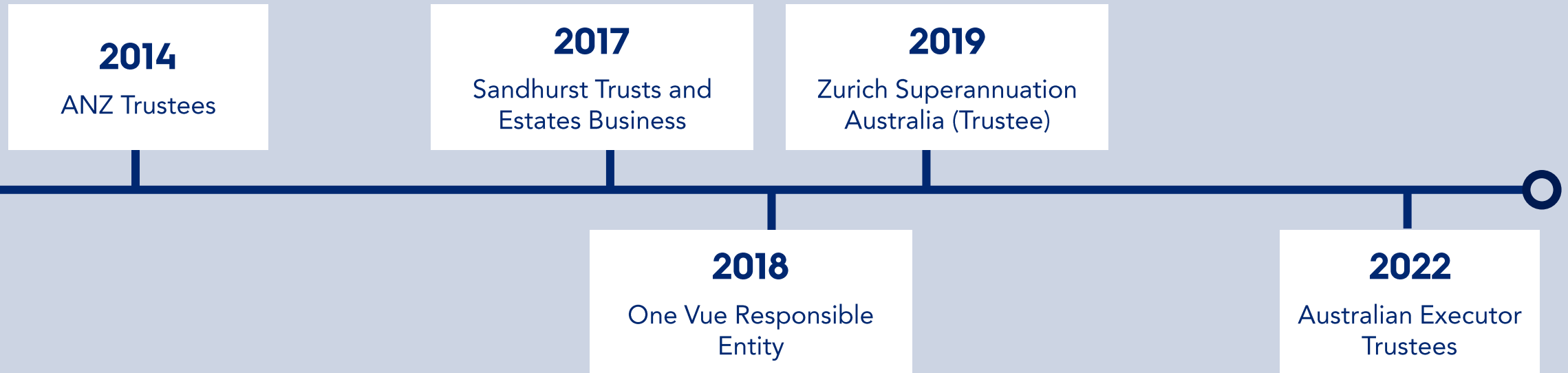


### COMMUNITY

- 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



# EQUITY TRUSTEES LEADS THE TRUSTEE MARKET CONSOLIDATION

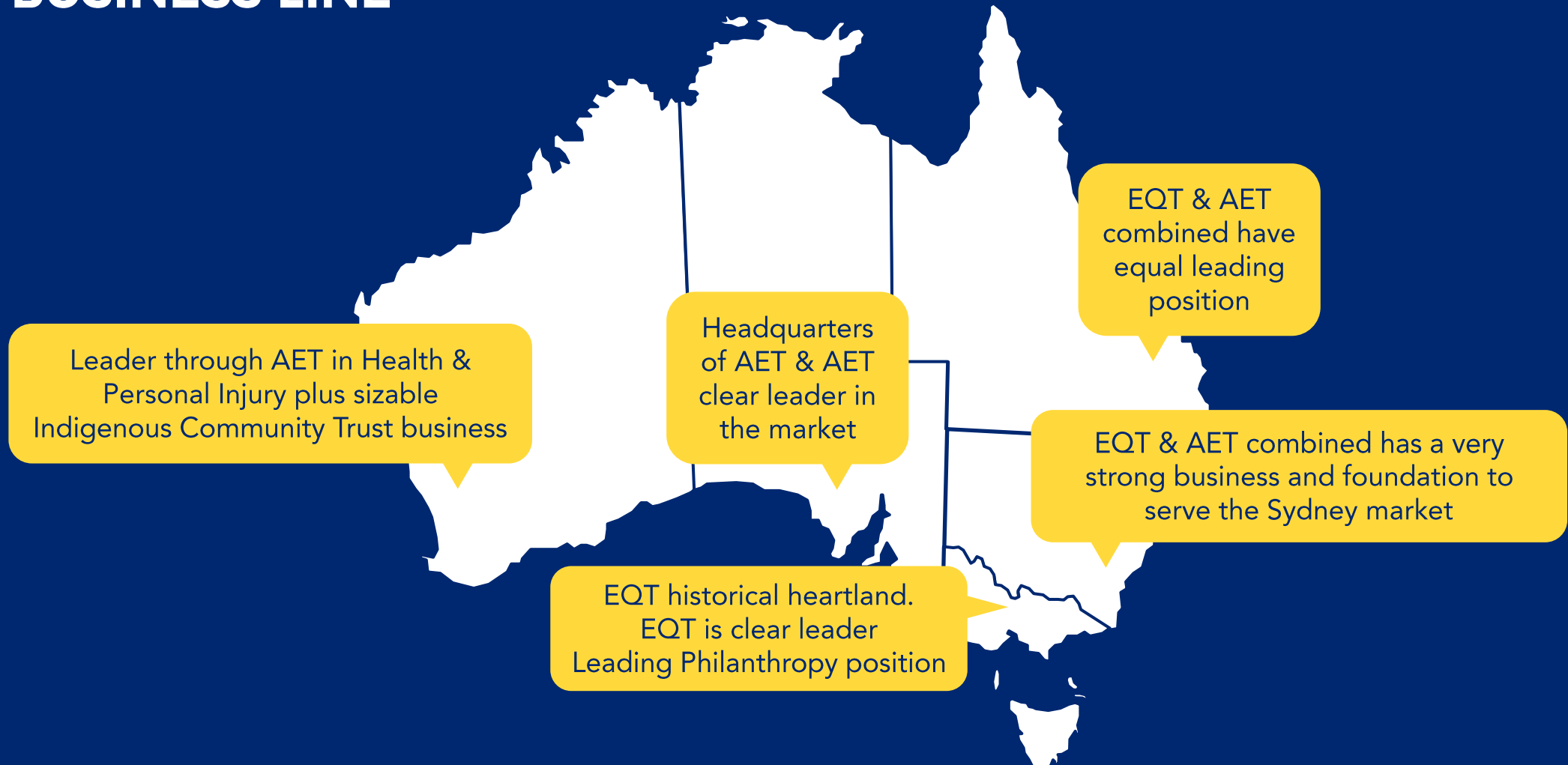


Australian Executor Trustees is made up of:

- Executor Trustee and Agency Company of South Australia Limited
- Elders Trustee and Executor Company Limited
- Bagot's Executor and Trustee Company Limited
- Farmers' Co-operative Executors and Trustees Limited
- Winchome Carson Trustee Company



# EQUITY TRUSTEES IS THE LEADER GEOGRAPHICALLY AND BY BUSINESS LINE





# BUSINESS UNIT INITIATIVES IN FY 2023

## TRUSTEE & WEALTH SERVICES (TWS)

- AET Integration
- Capitalise on market leading business development capability
- Launched Australian leading philanthropy platform - iPhi
- Two-year technology investment focused on excellent client service
- Re-engineering operational processes to improve service, reduce risk and provide operational leverage
- Continue to develop Responsible Investing capability
- Capitalising on highly rated top performing investment funds

## SUPERANNUATION TRUSTEE SERVICES (STS)

- Capitalise on demand for independent governance
- Business development focused on retail institutions
- Industrialisation of digital platforms to manage scale
- Continue to build capability by investing in people and technology to facilitate growth

## CORPORATE TRUSTEE SERVICES (CTS)

- Digitise/streamline workflows to increase productivity to support strong growth
- Growing existing business
  - Strengthen leading proposition for global fund managers to enter Australian market
  - Structure innovative solutions for super funds
  - Focus on larger scale opportunities
  - Building ASX and AQUA listed capability to expand manager distribution
- Accelerate growth in new Australian markets
  - Debt offers and securisations
  - Bespoke custody and MIT's for real assets
- Address performance of UK/Ireland business



# INVESTING IN TECHNOLOGY

CONTINUING TO DRIVE EFFICIENCIES AND ENHANCE THE CLIENT EXPERIENCE

ONE-OFF OPEX ~\$2.0M - \$3.0M FOR FY23 PROJECTS<sup>1</sup> ~\$1.0M - \$1.5M<sup>1</sup> FOR FY24 PROJECTS

## CORPORATE TRUSTEE SERVICES

- Solutions to create scale and efficiency through process reengineering, data analytics and automation using Salesforce
- Centralises client and task management and reporting
- Targeting 10-20% productivity improvement by FY25

## SUPERANNUATION TRUSTEE SERVICES

- Enhancing the use of data and analytics to support improved member outcomes using Tableau
- Automating regulatory reporting

## TRUSTEE WEALTH SERVICES

- Operational efficiency using TrustQuay NavOne across client groups; AFLPA Portal launched
- Introduction of iPhi to support the new Equity Trustees Philanthropy Portal
- Targeting annual revenue uplift of \$1m - \$1.2m (\$750k already achieved) and cost efficiencies of \$500k annually

## FINANCE – ANALYSIS & MANAGMENT

- Upgrading the general ledger and finance systems with a modern, cloud Enterprise Resource Planning (ERP) platform through Workday



Enrich the client and employee experience



Enhance value creation



Efficient processes & operations

<sup>1</sup> Project portfolio also has associated capex at a similar level



# GOVERNANCE, RISK AND REGULATORY MANAGEMENT ARE CORE TO OUR BUSINESS

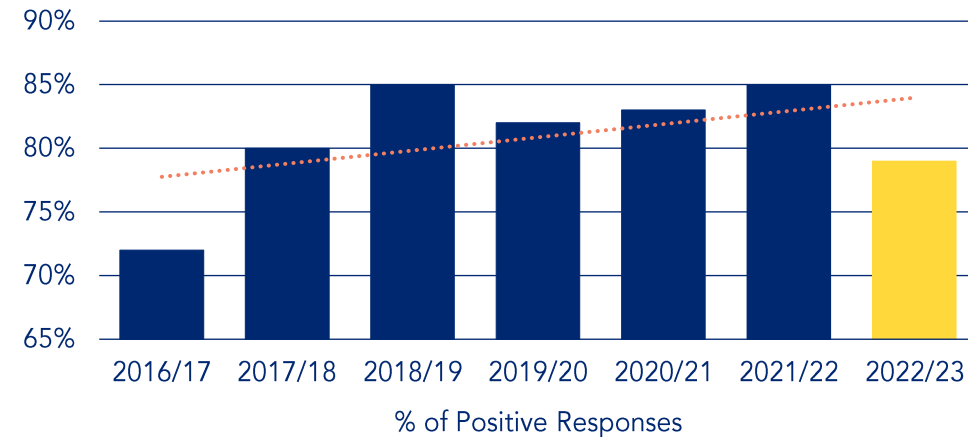
## PRODUCTIVE REGULATOR RELATIONSHIPS

- Broad and deep relationships with APRA and ASIC
- Expert advice being sought

## CAPABLE OF MANAGING SIGNIFICANT REGULATORY OBLIGATIONS ACROSS A MARKET LEADING FUND POPULATION

- Design and Distribution Obligations
- PDS production and fee disclosure
- Breach and Incident Reporting
- Complaint Management
- Member outcomes assessments
- APRA /ASIC and ACNC reporting

## EXCELLENT RISK CULTURE IS FUNDAMENTAL



## UTILISING LEADING SPECIALISED PLATFORMS

- Enterprise-Wide risk and compliance platform – Camms
- Proprietary Member Outcome Assessment platform (550,000 members with more than 160 annual assessments)
- Service provider oversight system – Zeidler
- Disclosure production platform – Arc Pro



# SUMMARY AND OUTLOOK

## STRATEGY REINFORCED WHILE DRIVING TRANSFORMATION

- Strategy on track driven by organic and inorganic growth and business transformation
- Revenue and funds continue to rise, while net profit reflects investment for growth
- AET acquisition provides market leadership position - integration on track to achieve synergies
- Transformative once in a decade investment in technology through FY23 and FY24 to improve productivity and client experience
- Ongoing opportunities for growth – securitisation and other corporate trust products providing further opportunities
- Solid balance sheet provides stability in volatile times and flexibility to fund growth
- Positive momentum for FY23 and beyond



# APPENDIX



# EQT'S REVENUES ARE LEVERAGED TO EQUITY MARKETS AS FEES LARGELY ASSET-BASED

	1H23 REVENUE	TOTAL FUMAS AS AT 1H23	LEVERAGE
TWS	\$30.1m	\$15.4b	60%-70% to average daily ASX200
STS	\$11.3m	\$39.9b	20%-30% to average daily ASX200
CTS	\$19.2m	\$100.2b	40%-50% to average daily World MSCI and ASX200

- Average equity markets for the 6 months to 31/12/22 materially lower than the PCP
- Equity markets for Jan/Feb 2023 have strengthened

	AS AT 30/06/22	AS AT 31/12/22	AVG. DAILY (AD) 1H22	AVG. DAILY (AD) 1H23	31/12/22 vs 30/06/22 %	AD 1H23 vs 30/06/22	AD 1H23 vs AD 1H22
ASX200	6,568.06	7,020.06	7,389.60	6,914.53	6.9	5.3	(6.4)
WORLD MSCI	3,683.72	3,851.91	4,267.63	3,892.31	4.6	5.7	(8.8)





# QUESTIONS



**THANK YOU**

**EQT Holdings Limited**  
ABN 22 607 797 615  
Level 1, 575 Bourke Street  
Melbourne VIC 3000  
1300 133 472  
[www.eqt.com.au](http://www.eqt.com.au)



## **Disclaimer**

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

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