EQT HOLDINGS LIMITED
ASX ANNOUNCEMENT

25 August 2023

Equity Trustees delivers strong earnings performance

Evolving to drive continuing growth

- Revenue increased 26.8% to $141 million
- Underlying net profit after tax up 19.4% to $29.1 million
- Statutory net profit of $18.8 million impacted by AET acquisition costs and other one-offs
- Funds under management, administration and supervision at $160 billion, up 7.5% on the prior year
- Final dividend 50 cents per share, making a total dividend for the year of 99 cents
- Good progress on AET integration driving strong TWS performance; increased revenue synergies target
- Combining Corporate and Super businesses to simplify and drive future growth
- Expenses higher, driven by substantial investment in people and technology
- Excellent client satisfaction and employee engagement outcomes
- Regular philanthropic giving exceeds $100 million for the first time
- Outlook positive, validating strategic focus on specialist trustee services

EQT Holdings Limited (ASX: EQT) (Equity Trustees) today announced its results for the year ending 30 June 2023. Managing Director Mick O'Brien said, "This is an excellent result that showcases our broad strength and the success of our growth strategy.

"The acquisition of Australian Executor Trustees (AET) during the year has been a great success and its integration with Trustee and Wealth Services (TWS) is proceeding well.

"This, together with another strong performance from our Super business, helped drive higher revenues."

Equity Trustees Board Chair Carol Schwartz said, "Equity Trustees' results confirm our focus on building expertise and capability to the highest standards, and these are increasingly valuable and in demand.

"Our strategy remains on track, driven by organic and inorganic growth and the ongoing business transformation."

Mr O'Brien said Equity Trustees continued to invest heavily in people and technology during the period.

"This investment is positioning us well to win new clients and other opportunities that are now flowing. On client satisfaction we again produced excellent results and for employee engagement we improved on key performance measures company wide," he said.

Revenue increased 26.8% to $141 million and underlying net profit after tax was up 19.4% to $29.1 million (including a seven month contribution from AET). Total expenses for the year were up 48.7% to $110.5 million (32.7% excluding non-recurring expenses), driven by costs associated with the acquisition and integration of AET, major technology systems replacements, the write-down of goodwill and management rights associated with the UK/Europe business, and increased employment costs from both the inflationary environment and filling a backlog of vacancies.

Stautory net profit after tax was $18.8 million, down 22.3% on the prior year, principally reflecting the significant costs outlined above.

Trustee and Wealth Services (TWS)

TWS increased revenue by 48.1% to $76 million, with strong organic growth across all aspects of the business. In another milestone, regular philanthropic granting exceeded $100 million for the first time.

Mr O'Brien said, "The AET integration continues to progress smoothly, and we believe this acquisition will deliver higher than expected revenue and capital synergies.

"Our technology investments are starting to transform the customer experience and the business remains on a strong growth trajectory."

Superannuation Trustee Services (STS)

STS had another exceptional year, with revenue up 21% to $25.3 million, driven primarily by new appointments as trustee, a seven month contribution from the Small APRA Fund business and a strengthening industry position.

Mr O'Brien said the STS portfolio was now over $45 billion, up from $1 billion five years ago. "This extraordinary growth rate is a credit to our team and reflects how our professional trusteeship is increasingly valued in a complex world," he said.

Corporate and Trustee Services (CTS)

A strong increase in new mandate wins at CTS was offset by the loss of some large mandates by core clients and an increase in underlying expenses. The business delivered revenue of $39.9 million, up 1.5% on FY22.

Mr O'Brien said, "To simplify our business and focus on our strategy, we have decided to combine CTS and STS under the one umbrella. This will enable us to align the operating models of the two businesses and capitalise on the strengths of each business. Their governance and financial reporting structure will not change."

The decision was recently announced to exit the UK/Ireland businesses, due to an intensifying regulatory environment combined with pricing pressures from industry competition and consolidation.

"Equity Trustees remains strongly focused on offering corporate trustee services in Australia, where it is a market leader in an attractive and growing market, and has a long track record of creating value for stakeholders," Mr O'Brien said.

Outlook

Mr O'Brien said, "The outlook for our business is favourable. Demand for our unconflicted model and our expertise continues to grow in an increasingly complex regulatory environment.

"Looking forward, the underlying fundamentals of the business remain strong and the outlook is positive, with solid growth in both clients and funds set to continue."

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

FURTHER INFORMATION

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Equity Trustees was established in 1888 to provide independent, impartial trustee and executor services to help Australian families protect their wealth. Now Australia's leading specialist trustee company, Equity Trustees offers a diverse range of services to private and corporate clients including asset management, estate planning, philanthropic, superannuation trustee services and responsible entity services. Equity Trustees is the brand name for EQT Holdings Limited (ABN 22 607 797 615) and its subsidiaries, with offices in Melbourne, Bendigo, Sydney, Brisbane, Perth, Dublin and London. EQT is listed on the Australian Securities Exchange (ASX: EQT).