

XPS Pensions Group plc

Results for the half year ended 30 September 2020

26 November 2020

PROFESSIONAL
PENSIONS
UK PENSIONS
AWARDS 2020

WINNER

Third-Party Administrator
of the Year



Disclaimer

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR CANADA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

This document is personal to the recipient and has been prepared by XPS Pensions Group plc ("Company") in connection with the publication of its preliminary results for the financial year ended 31 March 2019. For the purposes of this notice, the presentation ("Presentation") shall mean and include the slides, the oral presentation of the slides by the Company, the question-and-answer session that follows that oral presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation.

This Presentation is for information purposes only and does not constitute or form part of, and should not be construed as constituting or forming part of any offer, invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Ordinary Shares or securities in any other entity, nor shall any part of this Presentation nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the Ordinary Shares or any securities of any other entity.

The information and opinions expressed in this Presentation are provided as of the date of this Presentation. The information contained in the Presentation is for discussion purposes only and does not purport to contain all information that may be required to evaluate the Company and/or its financial position. Further, it should be noted that certain financial information and certain prospective information contained herein have not been finalised or audited. No reliance may be placed for any purpose whatsoever on the information contained in this Presentation or on its completeness, accuracy or fairness. The Company is not under any obligation to update or keep current the information in this Presentation.

This Presentation is confidential and its contents may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose and are intended for distribution in the United Kingdom only to person to whom such Presentation may lawfully be communicated ("Relevant Persons"). This Presentation must not be acted or relied upon by persons who are not Relevant Persons. Information in this Presentation relating to the price at which relevant investments have been brought or sold in the past or the yield on such investments cannot be relied upon as a guide to the future performance of such investments. For the avoidance of doubt nothing in this Presentation should be construed as a profit forecast.

The distribution of this Presentation and the offering or sale of securities in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This Presentation may not be distributed into any jurisdiction where such distribution would be unlawful and does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction.

Certain statements in this Presentation are forward-looking statements. The forward-looking statements include statements typically containing words such as "intends", "expects", "anticipates", "targets", "plans", "projects", "estimates" and words of similar import. These forward-looking statements speak only as at the date of this Presentation and you should not place undue reliance on them. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause actual results, performances and achievements to differ. The forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environments in which the Company will operate in the future and such assumptions may or may not prove to be correct. No statement in this Presentation is intended to be nor may it be construed as a profit forecast. The Company does not undertake any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Forward-looking information is based on management's current expectations and is subject to a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking information. Past performance cannot be relied upon as a guide to future performance.

This Presentation is confidential and must not be copied, reproduced, published, distributed, disclosed or passed to any other person at any time without the prior written consent of the Company.

By attending the Presentation or by accepting the Presentation you will be taken to have represented, warranted and undertaken to the Company that: (i) you are a Relevant Person (as defined above); (ii) you have read, acknowledge and agree to comply with the contents of this notice; and (iii) you will not at any time have any discussion, correspondence or contact concerning the information in this Presentation with any employees of the Company, its subsidiaries nor with any of their suppliers, customers, sub-contractors or any governmental or regulatory body, or otherwise distribute this Presentation, without the prior written consent of the Company.

Welcome and introductions



Ben Bramhall
Co-Chief Executive
Officer



Paul Cuff
Co-Chief Executive
Officer



Snehal Shah
Chief Financial
Officer





» Highlights & Overview

Highlights

 **Good revenue and EBITDA growth; dividends maintained**

Revenue

£61.4m

H1 20: £56.3m



+9%

Adjusted
EBITDA⁽¹⁾

£14.7m

H1 20: £13.3m



+11%

Adjusted diluted EPS ⁽¹⁾

4.3p

H1 20: 4.1p



+5%


Interim dividend

2.3p


H1 20: 2.3p




0%

 Business has adapted to remote working and demonstrated resilience to COVID environment

 Continued recognition through awards

 Growth achieved in all Pensions divisions

 Slowdown in new business activity with some processes put on hold

Market background

Current environment presents significant challenges to pension schemes

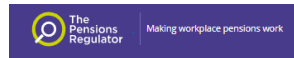
PENSIONSAge
The leading pensions magazine

Almost two-thirds of listed DB schemes issue profit warnings amid Covid-19

Pension fund deficit crackdown 'could hit economic recovery'

The proposed laws follow steps by the Pensions Regulator that could force ... at outsourcer Carillion and retailer BHS sparked demands for reform. ... that steps to beef up the regulator's enforcement powers and to push 6 days ago

Aon, Willis Towers Watson secure shareholder nod for mega-merger
Insurance Business UK, 27 August 2020



Trustees and employers must work together to manage the immediate effects of COVID-19 with a focus on long-term planning and risk management to protect savers, The Pensions Regulator (TPR) said today.

PROFESSIONAL PENSIONS

DB deficits 'could rise by £100bn' with new funding code, predicts KPMG

Continued focus on developing differentiated services and supporting clients



XPS joins TPR scams pledge
Pensions Age, 12 November 2020

Progress against our strategy

1

Regulatory change

- Key focus on supporting clients address COVID uncertainty and The Pensions Regulator guidance
- Demand growing for GMP equalisation services
- CMA review continues to drive strong demand for FM oversight services

2

Expand services

- DC consulting - New Head of DC joined from AON to grow business
- Risk transfer - Increasing activity and pipeline
- NPT - Assets under management crossed £1bn threshold shortly after end of H1

3

Grow market share

- New business activity suppressed with the exception of Investment Consulting
- Investment Consulting business winning on larger clients
- Market Force initiative launched to drive external opportunities

4

M&A

- Bolt-on acquisitions contributed 3% of revenue growth in the half year
- M&A opportunities restarting following slowdown in H1



Underpinned by investing in technology and people

Building on our strong culture

Strong focus on staff wellbeing throughout

- » Companies that look after staff well through COVID will benefit in longer term:
 - » Stronger retention and recruitment
 - » Reputation in a connected industry is critical
- » Many initiatives built on strong Values framework:
 - » Mental health and wellbeing
 - » Values in Practice Awards
 - » Recognition of employee commitment
- » Continued recognition in national awards
 - » 'Employee engagement firm of the year'
 - » Based on successful integration of XPS...
 - » ... and response to COVID crisis



XPS celebrates two new awards at the prestigious UK Employee Experience Awards 2020

21 September 2020

XPS was awarded **Gold** in the **Employee Engagement** category and **Silver** in the **Employee - Centric Company** category at the **UK Employee Experience Awards**, as mentioned in Paul's weekly update.

A great presentation in which you could feel the passion behind what has been achieved. When two businesses come together it can be very challenging to create one vision and you have clearly been successful in doing so.



Financials

Financial highlights

A strong performance

Revenue

£61.4m

H1 20: £56.3m



+9%

Adjusted EBITDA⁽¹⁾

£14.7m

H1 20: £13.3m



+11%

OCF conversion⁽²⁾

98%

H1 20: 44%



+54%

Net debt⁽³⁾

£51.3m

H1 20: £65.7m



-22%

Adjusted diluted EPS⁽¹⁾

4.3p

H1 20: 4.1p



+5%

Interim dividend

2.3p

H1 20: 2.3p



0%

(1) Adjusted measures exclude the impact of exceptional and non-trading items

(2) OCF conversion in the half year ended 30 Sep 20 was 130% benefiting from the automatic deferral of 3 VAT payments in light of COVID 19. The conversion quoted above normalises for this one off benefit in the period

(3) Excluding the impact of IFRS 16 (RCF covenant requires net debt to be measured excluding the impact of IFRS 16)

Income statement

	H1 2021 £m	H1 2020 £m	YoY %
Revenue			
Pensions Actuarial & Consulting	29.0	27.7	5%
Pensions Administration	22.7	20.3	12%
Pensions Investment	5.4	4.2	29%
SIPP	2.9	3.0	(3%)
NPT	1.4	1.1	27%
Total Revenue	61.4	56.3	9%
Adj. EBITDA ⁽¹⁾	14.7	13.3	11%
Depreciation & amortisation	2.4	1.9	26%
Adj. EBIT ⁽¹⁾	12.3	11.4	8%
Net finance costs	1.0	1.1	(9%)
Tax	2.2	1.8	22%
Adjusted profit ⁽¹⁾	9.1	8.5	7%
Adjusted diluted EPS (pence)	4.3	4.1	5%
Adjusted basic EPS (pence)	4.4	4.2	5%

Exceptional and non-trading items

Exceptional items	1.3	1.9
Share-based payments	3.8	0.5
Acquisition amortisation	3.3	3.6
Tax	(1.4)	(0.7)
Total	7.0	5.3

Highlights:

- Group revenues +9% YoY; +6% excluding the bolt on acquisitions in FY 20
- Adj. EBITDA +11% YoY; +8% YoY excluding the impact of IFRS 16
- Net finance costs excluding IFRS 16 were £0.9m; down 10% YoY largely as a result of a lower margin payable in the period
- Adjusted fully diluted EPS of 4.3p; +5% YoY
- Interim dividend of 2.3p; flat YoY

IFRS 16 impact:

- EBITDA +£1.5m; D&A +£1.4m; Finance cost +£0.1m = PAT and EPS nil impact (-0.1p in the comparative period)

Exceptional items:

- Share based payment charge higher as vesting assumptions more positive
- £1.1m of COVID-19 related costs;
- £0.2m of integration costs in respect of bolt ons.

Costs

	H1 2021 £m	H1 2020 £m	YoY change %	H1 2021 %age of revenue	H1 2020 %age of revenue
Staff Costs	36.2	32.2	(12%)	59%	56%
Property Costs	1.3	1.2	(8%)	2%	2%
IT	4.7	4.3	(9%)	8%	8%
Professional Fees	2.3	2.2	(5%)	4%	4%
Marketing	0.3	0.4	25%	0%	1%
Travel & Entertainment	0.2	0.7	71%	0%	1%
Other Costs	1.7	2.0	15%	3%	4%
TOTAL	46.7	43.0	(9%)	76%	76%

- Overall costs as % of revenue in H1 21 are in line with the prior year
- Staff costs increase reflect the increase in number of FTE's (30 Sep 20: 1,267 vs 1,181 at 30 Sep 19) resulting from bolt on acquisitions as well as ongoing recruitment
- Higher bonus provision commensurate with business performance
- Higher IT costs reflect the bigger business especially Pensions Administration as well as the comparative period being under the discounted TSA
- Travel and entertainment costs expectedly lower in the COVID 19 environment but partially offset by higher overtime costs within the Admin division as well as higher IT spend mainly due to remote working

Cash flow

Non-GAAP cash-flow	H1 2021 £m	H1 2020 £m
Operating		
Adjusted EBITDA	14.7	13.3
Change in net working capital	5.0	(7.5)
Other	(0.5)	0.1
Adjusted operating cash-flow	19.2	5.9
OCF conversion	130%	44%
Financing & tax		
Interest paid	(1.2)	(0.9)
Taxes paid	(1.0)	(1.4)
(Repayment) / drawdown of RCF	(10.5)	10.0
Repayment of lease liabilities	(1.0)	(0.8)
Proceeds from issue of shares	0.2	0.0
Net cash-flow after financing	5.7	12.8
Investing		
Acquisition (net of cash acquired)	-	(4.7)
Disposals	0.1	-
Capex	(0.5)	(1.1)
Restricted cash (NPT)	(0.5)	(0.3)
Net cash-flow after investing	4.8	6.7
Dividends paid	(9.0)	(8.7)
Exceptionals	(1.5)	(1.9)
Movement in cash	(5.7)	(4.0)
Net debt	51.3	65.7
Leverage	1.78x	2.34x

- > Adjusted EBITDA up £1.4m benefiting from higher revenues as well as IFRS 16. Excluding IFRS 16, adjusted EBITDA is up £1.0m
- > OCF conversion up 86% to 130% with strong cash collections as well as automatic deferral of VAT in light of COVID-19
- > Excluding the deferral of the VAT, OCF conversion was up 54% to 98%
- > The Group repaid £10.5m of the RCF during the period
- > Capex was lower due to COVID-19 impacted delay/deferrals. FY 21 capex expected to be circa £3m
- > Exceptional items mainly relate to integration of acquired businesses and COVID-19 related costs
- > Net debt at 30 September 20 was £51.3m; leverage 1.78x.
- > Cash at 30 September 20 was £8.7m (31 Mar 20: £14.4m)
- > At 30 September 2020, the Group had total undrawn committed facilities of £30m



Business review

Pensions Actuarial & Consulting – HY21 & Outlook

Second consecutive period of revenue growth

- Focus on supporting clients around COVID challenges
- Productivity impacted by remote working environment.....
-but offset by less time taken as holiday or spent on new business
- Successful 'on boarding' of Trigon outsourced actuarial appointments
- New business success opportunities largely 'on hold' during period providing limited opportunity for new client wins

KPIs – change during year

- ↑ Revenue H1 21: £29.0m (H1 20: £27.7m)
- ↑ Number of client facing staff
(Sep 20: 349, Mar 20: 341, Sep 19: 336)
- ↓ Clients with revenue above £10k
(Sep 20: 538, Mar 20: 568, Sep 19: 534)
- Number of client projects over £0.5m revenue
(Sep 20: 1, Mar 20: 1, Sep 19: 0)
- ↓ New logo wins vs attrition
(2 wins vs 6 losses – of which 1 moved to PPF)



Outlook

- Temporary headwind from remote working environment and lack of new business wins in H1
- Focus on increasing GMP equalisation activity, generating discretionary projects and growing DC business
- Evidence of new business activity restarting with early success in H2
- Launch of Market Force initiative to build external network
- Over the longer term, merger of 'Big 3' into 'Big 2' should provide opportunities for new staff and clients

Pensions Administration – HY21 & Outlook

A strong performance in challenging conditions

- Business has successfully dealt with operational challenges created by COVID albeit productivity impacted by remote working environment
- Continued transition of RL / Trigon clients to XPS administration systems
- Strong revenue growth reflects increase in members under administration (from clients on-boarded in H2 FY20)
- Some slowing of new business activity in H1 albeit two large appointments won at the start of 'lockdown'

KPIs – change during year

- ↑ Revenue in H1 21: £22.7m (H1 20: £20.2m)
- ↑ Number of members under administration (Sep 20: 936k, Mar 20: 920k, Sep 19: 884k)
- ↓ New logo wins versus attrition (1 win vs 4 losses - of which 1 was a wind-up and 1 moved to PPF)
- ↑ Number of administration staff (Sep 20: 662, Mar 20: 627, Sep 19: 622)

Winning more awards...

- Continued industry recognition
- Winner of 'Admin Firm of the Year' for second successive year

PROFESSIONAL
PENSIONS
UK PENSIONS
AWARDS 2020

WINNER

Third-Party Administrator
of the Year

Outlook

- Temporary operational challenges will remain while remote working environment continues
- Transitioning of new clients (including first time-outsources) to take us to over 1m members
- New business pipeline growing again, some very large opportunities
- Focus on increasing activity levels through generating discretionary projects

Pensions Investment Consulting – HY21 & Outlook

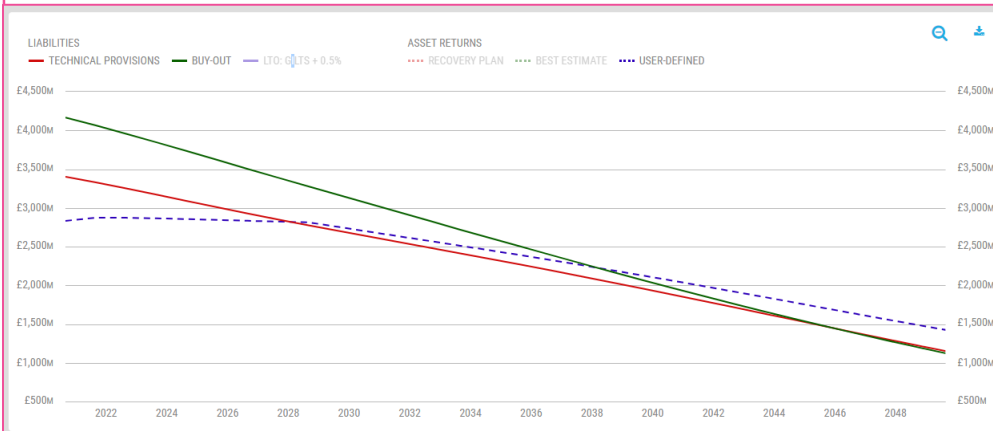
Strong performance and favourable market backdrop

- Strong revenue growth driven by new (larger) clients coming on stream
- Market volatility and COVID environment has also increased demand
- Productivity maintained despite remote working environment
- Results slightly flattered by less holiday being taken
- Strong new business performance with CMA review still generating opportunities – 20 fiduciary related appointments won in H1
- Launch of streamlined governance solution for Trustees

KPIs – change during year

- ↑ Revenue H1 21: £5.4m (H1 20: £4.2m)
- ↑ Clients with revenue above £10k
(Sep 20: 242, Mar 20: 231, Sep 19: 190,)
- ↑ Number of clients with assets over £0.5bn
(Sep 20: 18, Mar 20: 18, Sep 19: 15)
- ↑ Number of client facing staff
(Sep 20: 68, Mar 20: 65, Sep 19: 61)
- ↑ New logo wins versus attrition
(Annual revenue over £10k: 13 wins vs 1 loss)

Radar journey planning



Outlook

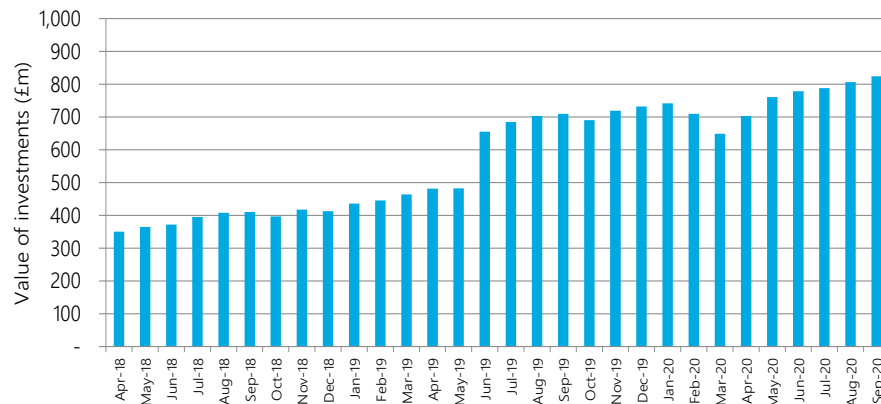
- Current market volatility expected to continue driving strong demand for services
- Demand supported by TPR focus on longer term funding and journey planning
- New business pipeline remains strong - increasing credibility as an alternative to the Big 3 leading to larger opportunities

NPT and Self Invested Pensions (SIPP/SSAS)



National Pensions Trust – Revenue £1.4m (+27%)

- DC Mastertrust arrangement, authorised August 2019
- Focus on internal opportunities...
- ... and developing the 'product' to broaden target market
- Assets increased 27% during H1 FY21 to £824m and reached £1 billion milestone in October 2020



Outlook

- Strong demand for Mastertrust solutions remains and may be accelerated by employers looking for cost savings

SIPP– Revenue £2.9m (-3%)

- COVID impacts SIPP industry widely with the following impacts:
 - IFAs unable to transact new client sales during lockdown
 - Client uncertainty impacting transactional fees
 - BoE base rate fall reduced return on cash placement (c. -£0.5m pa impact)
- Revenue reductions countered by strong cost management
- SIPP book growth continues with sales recovery in Q2
- Service improvements made:
 - New SIPP secure portal rolled out to over 1,000 clients
 - Automated investment data feeds enabled

Outlook

- Sales and transaction activity showing signs of recovery as the regulated advice sector adapts to the COVID environment



» Summary & Outlook

Summary & Outlook



Good performance in all business areas with progress against strategy



Resilient business model and strong financial position



Some COVID challenges likely to continue in H2



Favourable market and competitor backdrop expected to create opportunities



Full year results expected to be in line with Board's expectations



Appendix

Divisional KPIs

	31.03.18	30.09.18	31.03.19	30.09.19	31.03.20	30.09.20
Pensions Actuarial & Consulting						
Reported revenue (£,000)	22,495	27,756	28,978	27,742	31,060	28,978
No. of fee earners ¹	293	310	294	336	341	349
Average charge out rate (£) ²	326	313	333	329	317	322
No. of clients with revenue >£10k ³	505	493	485	534	568	538
Recurring revenue ⁴	91%	92%	93%	92%	89%	93%
New logo wins (>£40k Annual revenue)	6	12	11	6	5	2
Losses (>£40k Annual revenue)	(2)	(5)	(4)	(5)	(2)	(6)

1. Number of fee earners definition: headcount of the relevant departments within the business at the end of the reporting period
2. Average charge out rate definition: sum of charge out rates for all staff in the relevant departments, divided by total staff (excluding support staff)
3. Number of clients (Pensions) definition: this is the number of clients in the 6 month period where annual income exceeds £10,000
4. Recurring revenue definition: revenue from customers who have a regular revenue stream. The revenue is either earned from the same customer every month, or in some cases every quarter.

	31.03.18	30.09.18	31.03.19	30.09.19	31.03.20	30.09.20
Pensions Administration						
Reported revenue (£'000)	9,701	16,973	20,519	20,210	22,715	22,754
No. of schemes ⁵	408	399	454	588	619	625
Average fees per scheme (£'k) ⁵	34	43	45	34	37	36
No. of members ⁵	561,971	632,579	876,987	883,778	920,459	936,013
Average fees per member (£) ⁵	24	27	23	23	25	24
No. of staff	390	467	572	622	627	662
New logo wins (>£40k Annual revenue)	3	2	13	8	3	1
Losses (>£40k Annual revenue)	(1)	0	(1)	(2)	(3)	(4)

5. Number of schemes and members for 31.03.20 re-stated along with the related average fees per scheme and member KPIs

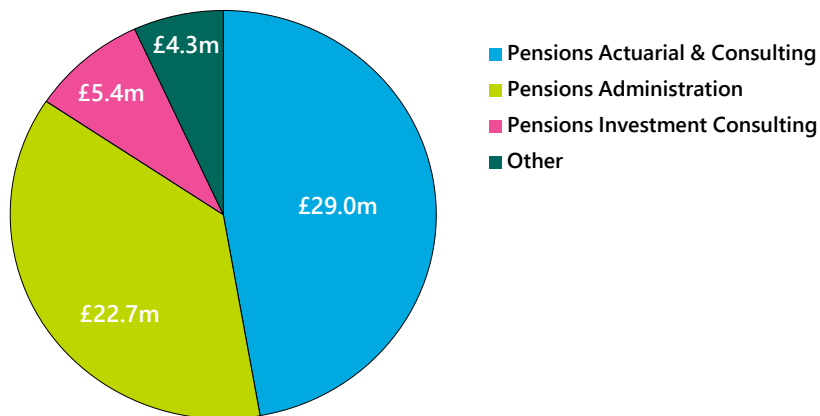
Divisional KPIs

	31.03.18	30.09.18	31.03.19	30.09.19	31.03.20	30.09.20
Pensions Investment Consulting						
Reported revenue (£'000)	2,836	3,793	4,329	4,221	5,330	5,423
No. of fee earners ⁶	34	39	53	61	65	68
Average charge out rate ⁷	307	320	316	314	310	322
No. of clients with revenue > £10k ⁸	182	195	190	190	231	242
Recurring revenue ⁹	75%	73%	83%	78%	83%	86%
New logo wins (>£40k Annual revenue)	3	4	6	2	2	1
Losses (>£40k Annual revenue)	(1)	0	(1)	(1)	(1)	0
New logo wins (>£10k Annual revenue)						13
Losses (>£10k Annual revenue)						(1)

6. Number of fee earners definition: headcount of the relevant departments within the business at the end of the reporting period
7. Average charge out rate definition: sum of charge out rates for all staff in the relevant departments, divided by total staff (excluding support staff)
8. Number of clients (Investment) definition: this is the number of clients in the 6 month period where annual income exceeds £5,000
8. Recurring revenue definition: revenue from customers who have a regular revenue stream. The revenue is either earned from the same customer every month, or in some cases every quarter.

	31.03.18	30.09.18	31.03.19	30.09.19	31.03.20	30.09.20
SIPP						
Reported revenue (£'000)	2,859	3,009	3,090	3,036	3,027	2,850
No. of schemes - Total	3,625	3,734	3,835	3,852	3,926	4,000
No. of schemes - SSAS	1,181	1,136	1,102	1,080	1,062	1,050
No. of schemes - SIPP	2,444	2,598	2,733	2,772	2,862	2,950
£ per scheme (£) - Total	789	806	806	788	771	721
£ per scheme (£) - SSAS	1,395	1,543	1,607	1,549	1,539	1,473
£ per scheme (£) - SIPP	496	483	483	491	486	448
No. of staff	63	65	65	69	67	65
NPT						
Reported revenue (£'000)	526	677	767	1,055	1,337	1,396
Value of assets (£'m)	337	410	464	710	649	824
Average charge per £ of asset (bp)	32	35	36	35	38	36

XPS overview



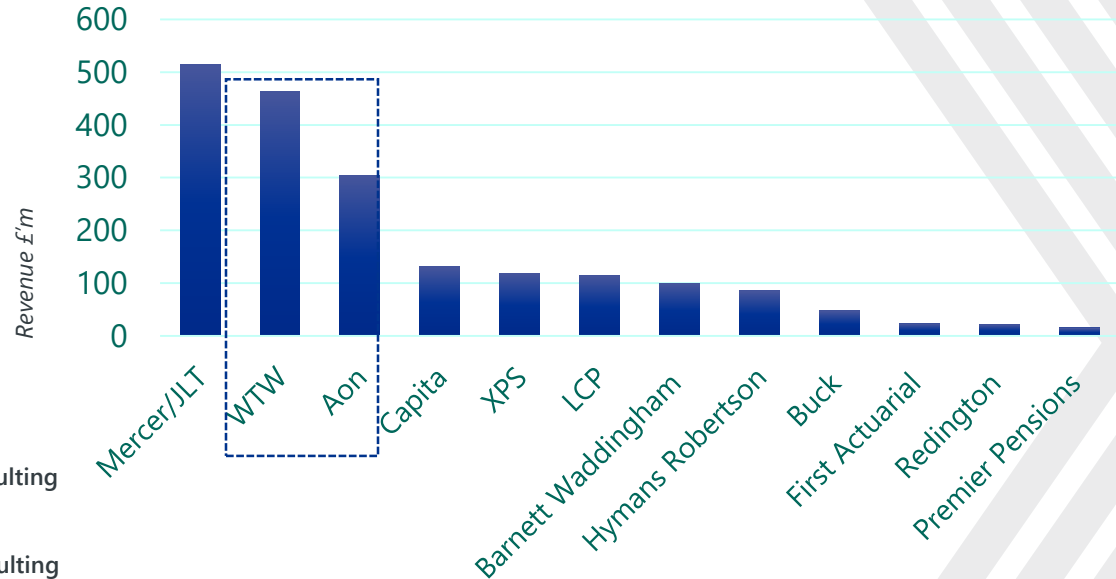
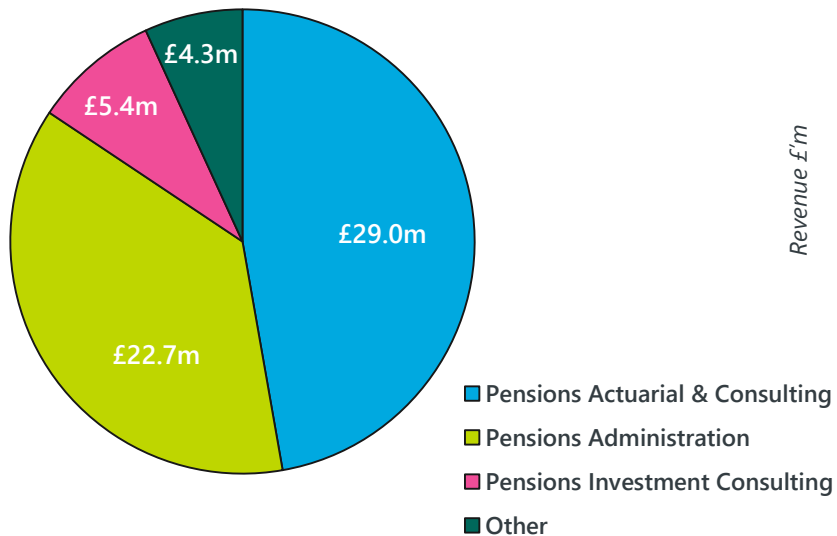
Business Line	Client facing staff Sep 20
Pensions Administration	662
Pensions Investment Consulting	68
Pensions Actuarial & Consulting	349
NPT / SSAS & SIPP	84
Total	1,163

Larger clients (£1bn+) - commonly use different providers for different services

Mid to smaller clients (<£1bn) - often have a common provider across multiple service lines

The market opportunity for XPS

➤ Largest pure pensions advisory and administration firm in the UK



Source : Professional Pensions article 'the UK's biggest pension consulting firms by revenue' issued 4th May 2020 based on figures taken from latest available company accounts. Accounting firms and ISIO figures not available. XPS revenue figure updated for FY20.

➤ The market is fragmented but has started to consolidate

Pensions Actuarial & Consulting – overview

Typical work includes advising Trustees on funding, regulatory compliance, benefit design, member communication, risk management and wider pensions issues

- > Clients can either be through wider 'full services' engagement or 'actuarial only'
- > Fees a mix of fixed fee and time-cost / hourly rates (typically with inflationary increases built in)
- > Compliance activity on individual clients highly predictable. Wider activity often lumpy depending on client appetite for transformation projects, changes in regulation and wider corporate activity
- > High level of client loyalty as lead actuary / consultant often has 'trusted advisor' status

Revenue KPIs

- > Number of client facing staff
- > Number clients with revenue above £10k
- > Number client projects over £0.5m

Other KPIs

- > Number of wins versus losses

Key opportunities

- > New client wins from competitors
- > Increased activity levels through de-risking
- > Enhancing capabilities in specialist areas
- > Regulatory developments such as Annual Funding Statement new Funding Code of Practice
- > Increased efficiency and quality of service through use of technology

Pensions Administration – overview

Regular work includes record keeping, liaising with members, calculating and paying benefits

- > Clients can either be through wider 'full services' engagement or an 'administration only' contracts
- > Schemes range in size from less than 100 members to schemes with c. 100,000 members
- > Fees typically inflation linked and based on number of members with an element dependent on client / member activity
- > High level of client loyalty driven by perceived 'barriers' and 'cost' associated with changing providers

Revenue KPIs

- > Number of members under administration
- > Revenue in excess of 'core fee'
- > Volume of wins versus losses

Other KPIs

- > No. of administration staff

Key opportunities

- New client wins from competitors
- Outsourcing of 'in-house' administered teams
- Access to public sector following Kier Pensions Unit acquisition
- Increased activity levels due to regulatory changes (i.e. GMP equalisation) or de-risking
- Increased efficiency through automation and more member 'self-service'

Pensions Investment Consulting – overview

Typical work includes advising Trustees on asset allocation, hedge design and manager selection.

- > Clients can either be through wider 'full services' engagement or 'investment only'. Smaller schemes typically through 'bundled service' with larger schemes often a standalone appointment.
- > Fees typically based on time-cost / hourly rates with some fixed fee elements
- > Activity on individual clients typically lumpy with periodic wide ranging reviews (at Trustee discretion) followed by monitoring
- > High level of client loyalty although fewer barriers to switching between providers

Revenue KPIs

- > Number of clients
- > Number of clients with assets over £0.5bn
- > Number of client facing staff

Other KPIs

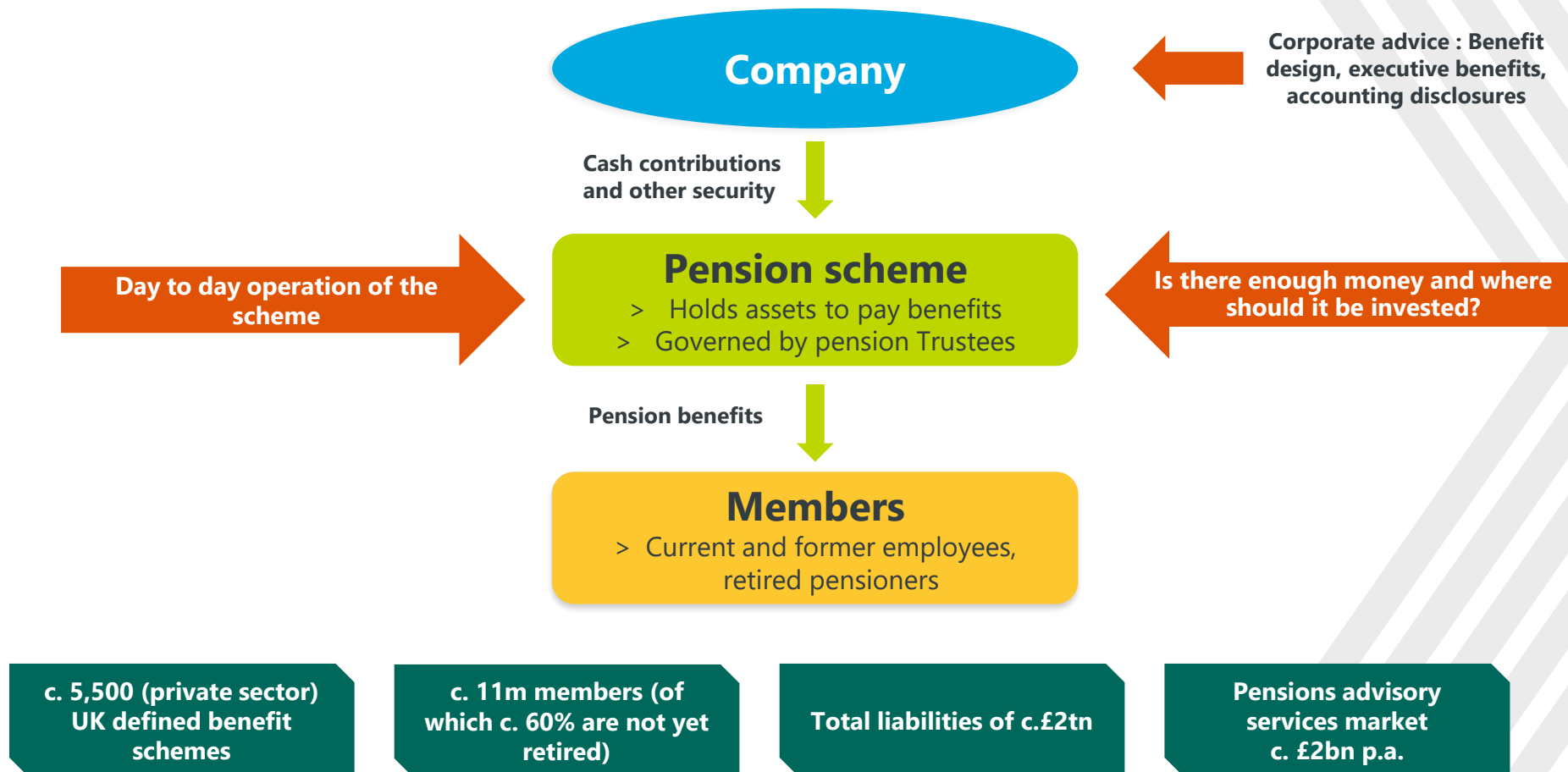
- > Volume of wins versus losses

Key opportunities

- New client wins from competitors
- Fall-out from CMA review, including fiduciary manager selection / oversight role
- Increased activity due to market volatility and de-risking
- Regulatory developments such as journey planning 'requirement'
- Increased efficiency and quality of service through development of technology

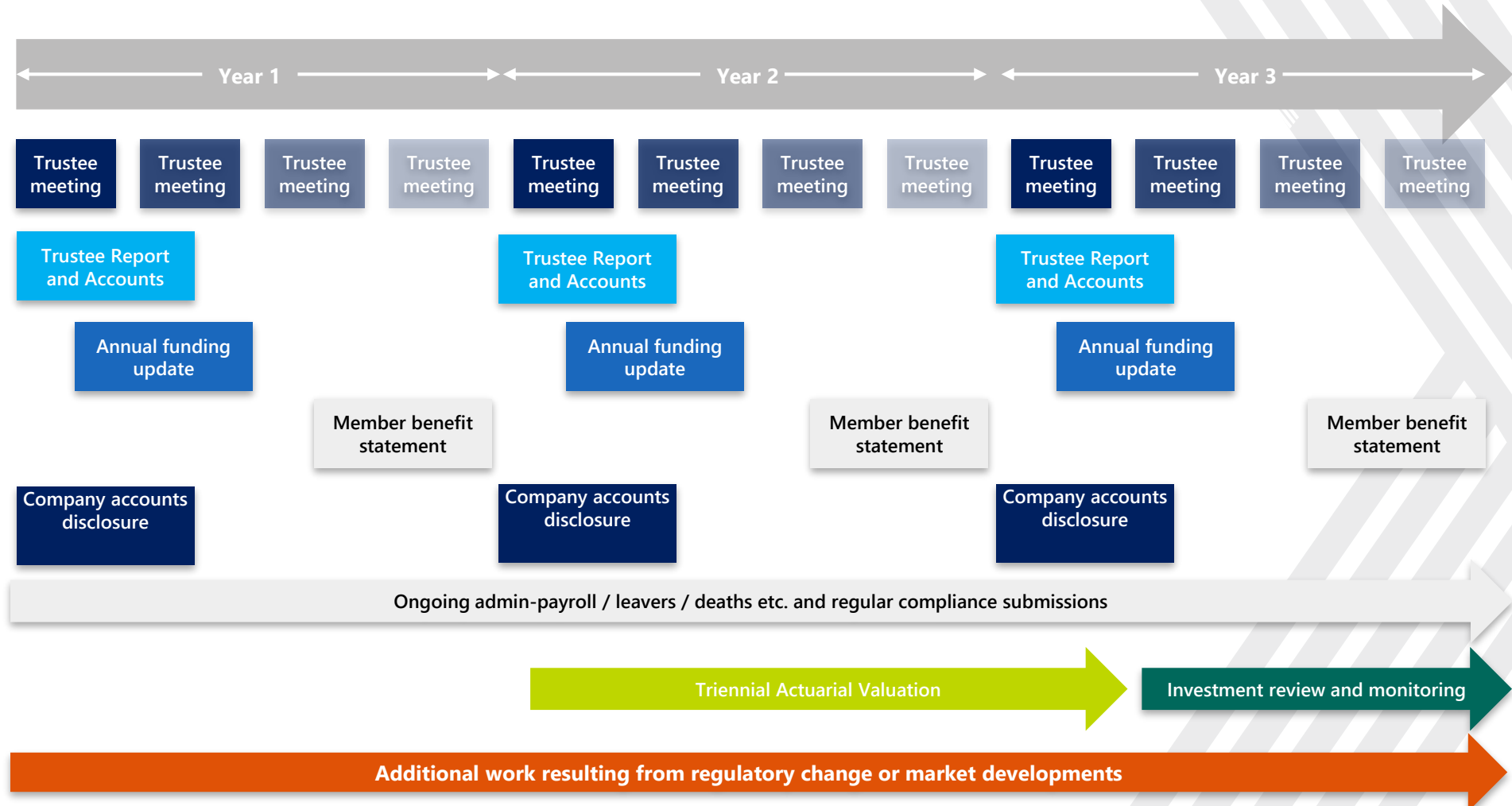
Who are our clients....

An example defined benefit pension scheme client



Statutory Timetable – 3 years in the life.....

Fee delivery throughout the life of the scheme





Registration

XPS Pensions Consulting Limited, Registered No. 2459442.

XPS Investment Limited, Registered No. 6242672.

XPS Pensions Limited, Registered No. 3842603.

XPS Administration Limited, Registered No. 9428346.

XPS Pensions (RL) Limited, Registered No. 5817049.

All registered at: Phoenix House, 1 Station Hill, Reading, RG1 1NB.

Authorisation

XPS Investment Limited is authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774).