

XPS Pensions Group plc

Results for the year ended 31 March 2020

25 June 2020



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Welcome and introductions



Ben Bramhall
Co-Chief Executive
Officer



Paul Cuff
Co-Chief Executive
Officer



Snehal Shah
Chief Financial
Officer





» Highlights & Overview

Highlights

A year of progress against our strategy

Revenue



£119.8m

2019: £109.9m

+9%

Adjusted fully diluted EPS ⁽¹⁾



9.8p

2019: 9.8p

0%

Cash conversion



103%

2019: 85%

+18%

Proposed final dividend



4.3p

2019: 4.3p

0%

 Pensions Actuarial & Consulting Business
returned to growth

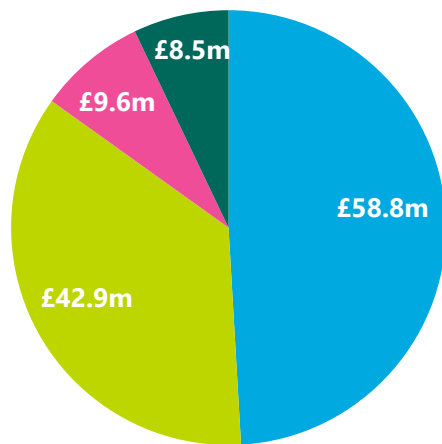
 Brand and profile enhanced through industry
awards

 Strong new business performance across all
business lines

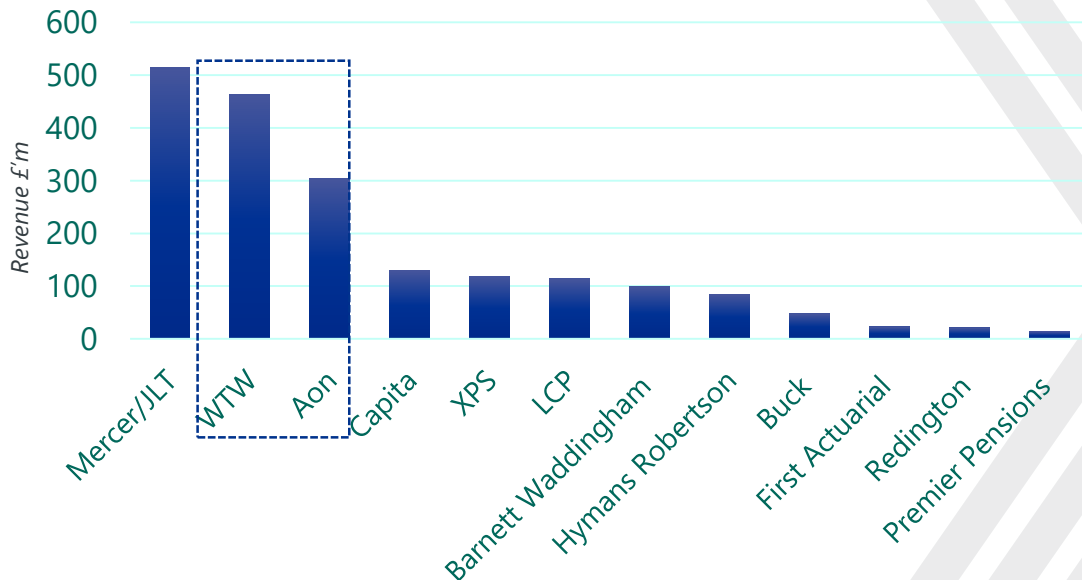
 Robust response to COVID

The market opportunity for XPS

➤ Largest pure pensions advisory and administration firm in the UK



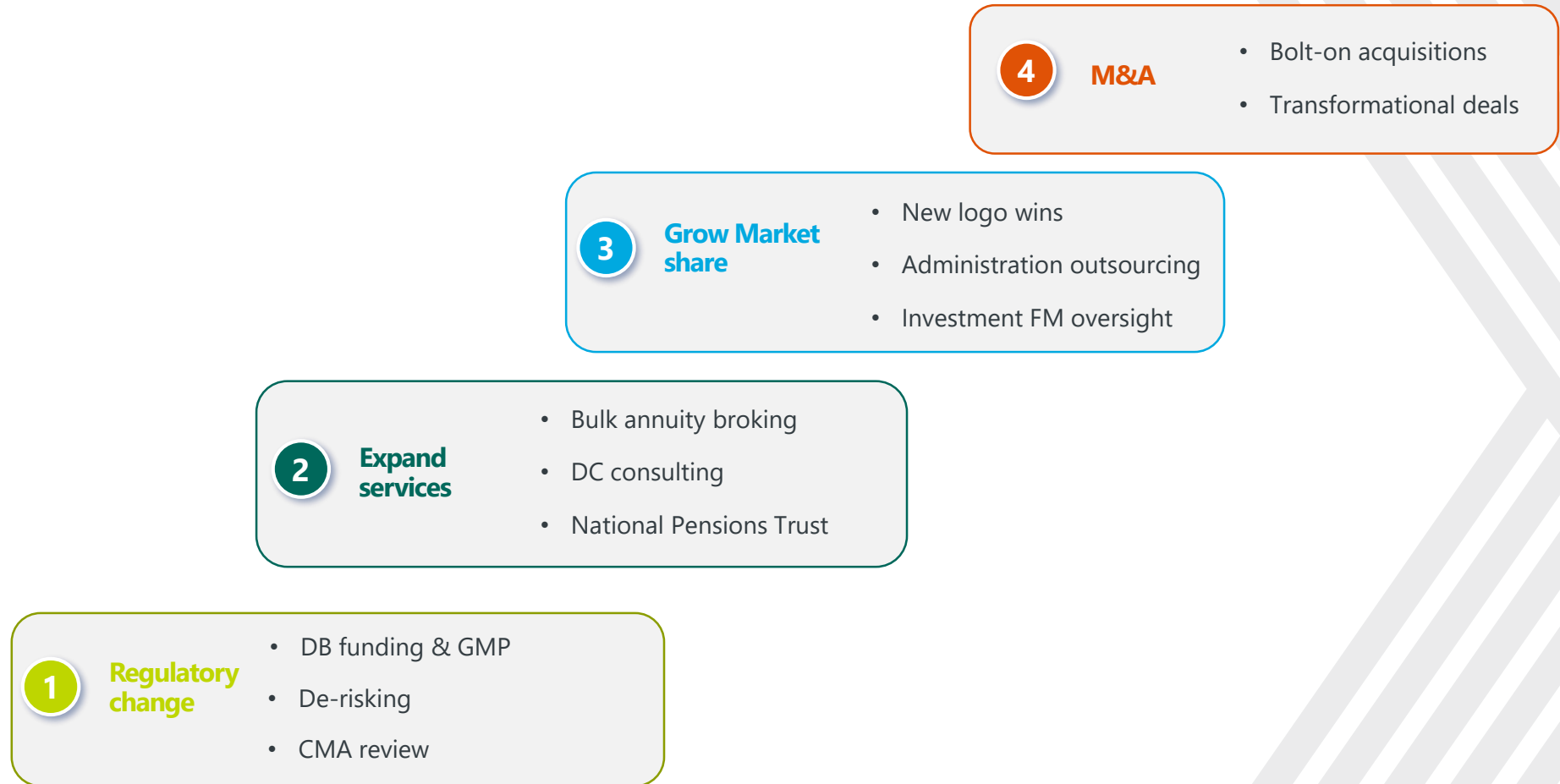
- Pensions Actuarial & Consulting
- Pensions Administration
- Pensions Investment Consulting
- Other



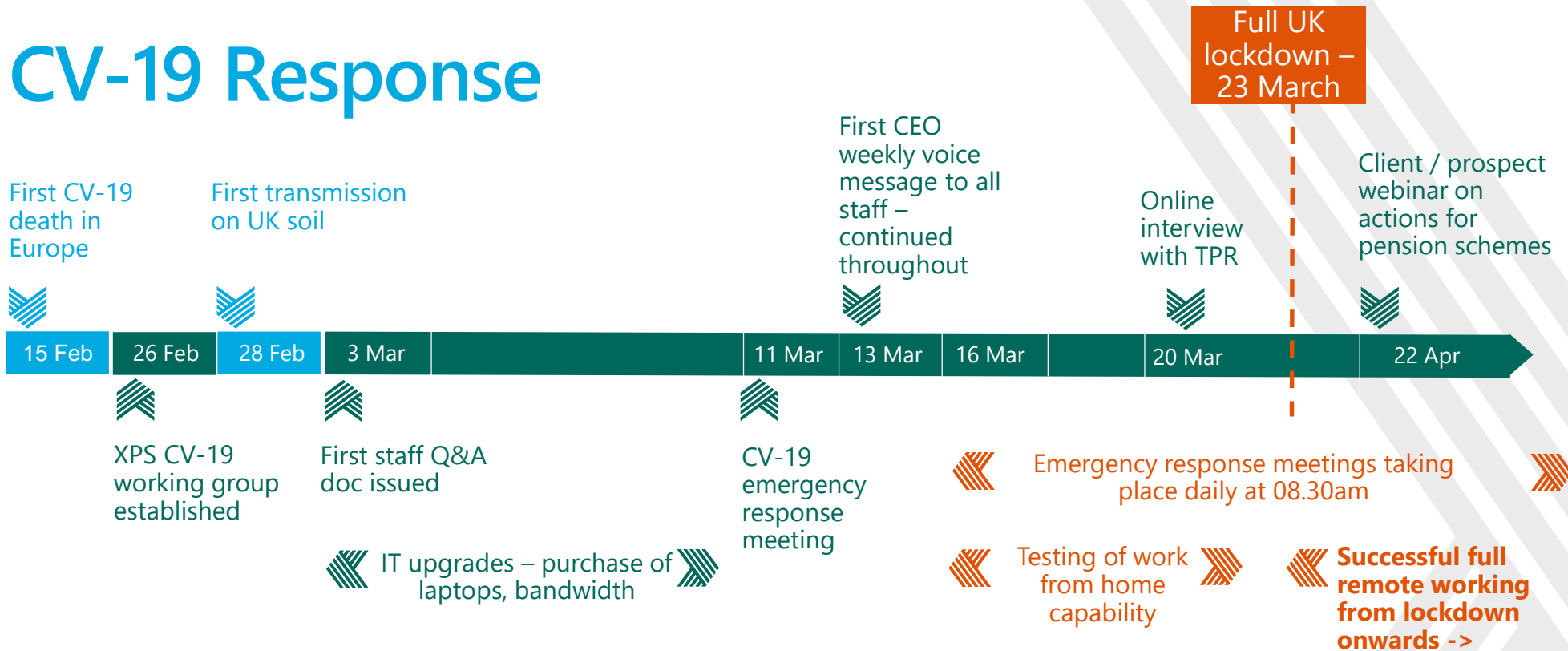
Source : Professional Pensions article 'the UK's biggest pension consulting firms by revenue' issued 4th May 2020 based on figures taken from latest available company accounts. Accounting firms and ISIO figures not available. XPS revenue figure updated for FY20.

➤ The market is fragmented but has started to consolidate

Sources of growth



CV-19 Response



Looking after our staff and clients:

- Staff safety our number one priority
- Big push on communications, reassurance
- Mental health initiatives:
 - Tailored videos, externally produced
 - Keeping in touch initiatives
 - Socials events
- Values In Practice Awards recognising CV-19 efforts

Financial actions:

- Extensive contingency planning
- Extension of banking covenants
- Deferral of annual pay review
- No use of any government support schemes

CV-19 impact on strategy

Core business resilient but goals harder to achieve in short-term

- | | | |
|----------------------------|---|--|
| 1 Regulatory change |  | <p>New DB funding code proceeding. New guidance in response to CV-19 and pressure on employers</p> <p>Strong client demand in Investment Consulting</p> <p>Discretionary projects under pressure, particularly where employer support needed</p> |
| 2 Expand services |  | <p>Strong client focus on dealing with CV-19 issues at exclusion of other projects</p> <p>Technology projects put on hold</p> <p>Service development progressing for bulk annuities and DC consulting</p> |
| 3 Grow market share |  | <p>Opportunities involving Pensions and Actuarial Consulting heavily suppressed</p> <p>Large administration only opportunities remain</p> <p>Risk of corporate insolvencies increasing frequency of clients entering PPF</p> |
| 4 M&A |  | <p>M&A processes in the market put on hold</p> |

Emerging stronger from CV-19

Employers that look after their staff will be seen as the best places to work

Strong focus on staff at XPS – with wide ranging positive feedback

Strong commitment to retain flexibility – benefit from all we have learned

"I personally want to say thank you because the values XPS stand for are really on show here and it feels good to see everyone following them"

- Example impromptu staff feedback

Many client relationships have been strengthened

Key focus on clients throughout the crisis

Positive feedback – 'when the chips were down, you delivered'

Our profile with prospects is higher than ever

Client webinars have replaced physical events – huge increase in reach

Validation of approach vs offshoring and in house

May 2020 office survey – staff selected one answer:

We as a firm are doing well	89%
We are doing some things well and others less so	11%
We aren't doing the right things	0%

"I did not want to simply fill in the standard feedback form... XPS has gone the extra mile in extraordinary circumstances, a real 5-star performance"

- Member feedback (one of many similar)





Financials

Financial highlights

A strong performance

Revenue

£119.8m

2019: £109.9m



+9%

Adjusted EBITDA⁽¹⁾

£27.9m

2019: £27.4m



+2%

OCF conversion⁽¹⁾

103%

2019: 85%



+18%

Profit before interest & tax

£13.4m

2019: £12.9m



+4%

Adjusted diluted EPS⁽¹⁾

9.8p

2019: 9.8p



0%

Proposed final dividend

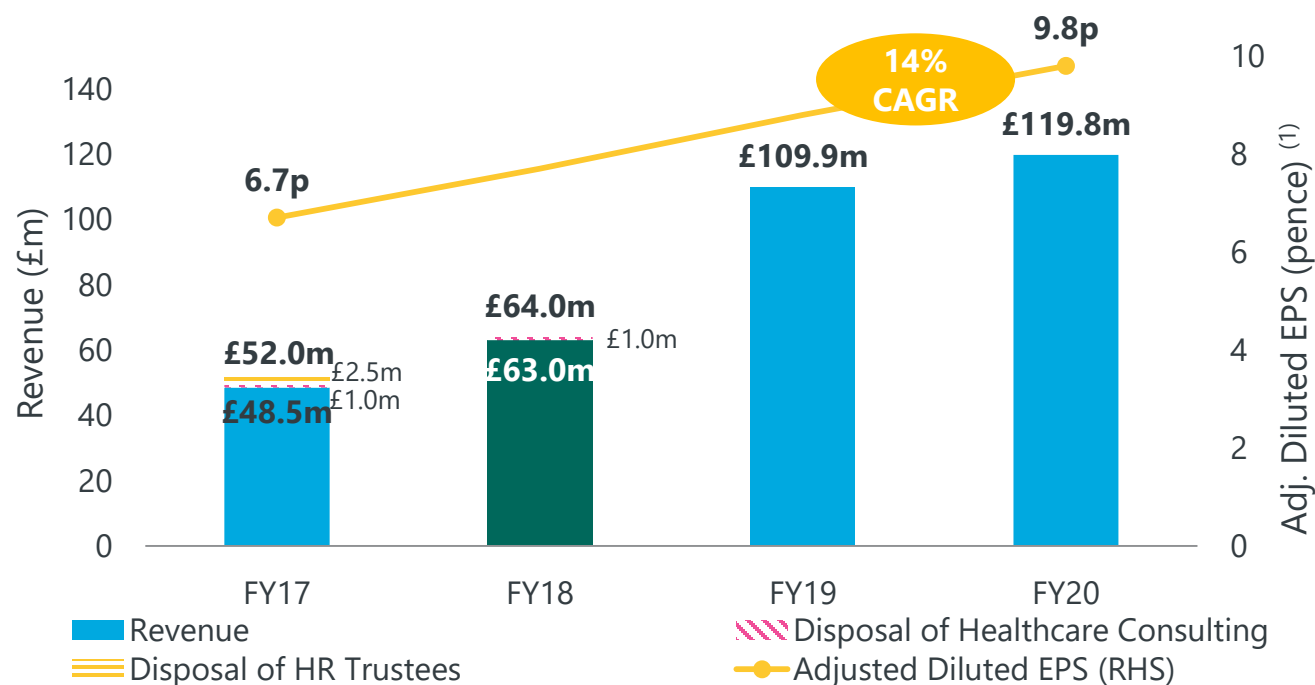
4.3p

2019: 4.3p



0%

Significant growth since IPO



**£30.4m
dividends
paid since IPO**

- Excluding the revenue from the non-core business sold, CAGR of 35%
- Transformational acquisition of certain businesses of Punter Southall Group in FY18/FY19
- Bolt on acquisitions remain key pillar of strategy and continue to deliver shareholder value

Income statement

Excluding IFRS 16	FY2020 £m	FY2019 £m	YoY %
Revenue			
Pensions Actuarial & Consulting	58.8	56.8	4%
Pensions Administration	42.9	37.5	14%
Pensions Investment	9.6	8.1	19%
SIPP	6.1	6.1	0%
NPT	2.4	1.4	71%
Total Revenue	119.8	109.9	9%
Adj. EBITDA ⁽¹⁾	27.9	27.4	2%
Depreciation/Amortisation	1.7	1.4	21%
Adj EBIT ⁽¹⁾	26.2	26.0	1%
Net finance costs	2.1	1.7	24%
Tax	3.8	4.2	(10%)
Adjusted profit ⁽¹⁾	20.3	20.1	1%
Adjusted DEPS (pence)	9.8	9.8	0%
Adjusted basic EPS (pence)	10.0	9.9	1%
Exceptional and non-trading items			
Exceptional items	(3.5)	(3.9)	
Share-based payments	(2.2)	(4.0)	
Acquisition amortisation	(7.1)	(11.7)	
Other Operating Income	-	6.7	
Tax	0.1	3.2	
Total	(12.7)	(9.7)	

Highlights:

- Group revenues +9% YoY; +4% from bolt on acquisitions in the year
- Adj. EBITDA +2%; impact of changing mix and increased central costs
- Net finance costs up in line with debt and higher leverage in the year
- Adjusted fully diluted EPS of 9.8p is flat YoY
- Final dividend proposed 4.3p; flat YoY (Total dividend 6.6p; flat YoY)

IFRS 16 impact:

- EBITDA +£2.5m; D&A +2.5m; Finance cost +0.3m = PAT (£0.2m); EPS impact (0.2p)

Exceptional items:

- £1.8m of integration costs mainly relating to IT;
- £0.9m of corporate transaction costs (Royal London & Trigon);
- £0.4m of COVID-19 related costs; and
- £0.4m in respect of settlement of a historic contract dispute

Costs

	FY 2020 £m	FY 2019 £m	YoY change %	FY 2020 %age of revenue	FY 2019 %age of revenue
Staff Costs	67.0	58.1	(15%)	56%	53%
Property Costs	5.0	4.2	(19%)	4%	4%
IT	8.4	7.0	(20%)	7%	6%
Professional Fees	4.8	5.2	8%	4%	5%
Marketing	0.8	0.9	13%	1%	1%
Travel & Entertainment	1.5	1.5	2%	1%	1%
Other Costs	4.4	5.5	20%	4%	5%
TOTAL	91.9	82.4	(11%)	77%	75%

The above table shows the operating costs excluding the impact of IFRS 16 to aid comparability.

- Overall costs as % of revenue higher in FY 20 reflecting the additional hires and the lower costs in the comparative period under the discounted TSA.
- All increases in costs lines reflect the two bolt-on acquisitions in the year (Royal London & Trigon), as well as the full year impact of the Kier pensions unit acquisition in November 2018.
- Number of employees at 31 March 20: 1,203 vs at 31 March 2019: 1,088 (reflecting the Royal London and Trigon pension unit acquisitions as well as ongoing recruitment)
- IT spend has increased due to higher infrastructure costs as we moved off the discounted TSA and for client-facing business units as we on-boarded new clients

Cash flow

Non-GAAP cash-flow	Post IFRS 16 31 March 2020 £m	Pre IFRS 16 31 March 2020 £m	Pre IFRS 16 31 March 2019 £m
Operating			
Adjusted EBITDA	30.4	27.9	27.4
Change in net working capital	0.6	0.9	(3.2)
Other	(0.1)	(0.1)	(0.9)
Adjusted operating cash-flow	30.9	28.7	23.3
OCF conversion	101%	103%	85%
Financing & tax			
Net finance expense	(1.8)	(1.6)	(1.7)
Taxes paid	(3.5)	(3.5)	(3.9)
Proceeds from new loans (net of repaymen	13.3	13.3	1.5
Repayment of lease liabilities	(2.0)	-	-
Proceeds from issue of shares	0.3	0.3	2.0
Net cash-flow after financing	37.2	37.2	21.2
Investing			
Acquisition (net of cash acquired)	(7.5)	(7.5)	(4.9)
Disposals	0.4	0.4	0.6
Capex	(3.4)	(3.4)	(2.6)
Restricted cash (NPT)	(0.3)	(0.3)	(1.0)
Net cash-flow after investing	26.4	26.4	13.3
Dividends paid	(13.4)	(13.4)	(13.2)
Exceptionals	(4.1)	(4.1)	(4.0)
Movement in cash	8.9	8.9	(3.9)
Net debt	56.1	56.1	51.7
Leverage	1.98x	1.98x	1.79x

- > Adjusted EBITDA up £3.0m mainly due to impact of IFRS 16 (removal of rental expense replaced by depreciation and finance costs). Excluding IFRS 16, adjusted EBITDA is up £0.5m
- > OCF conversion up 18% to 103% with strong recovery in debtor collections in H2
- > The Group paid £7.5m for the acquisitions of the RL Corporate Pensions Services Ltd and Trigon Professional Services Ltd
- > Capex was up £0.8m YoY – primarily due to IT spend as we moved off the IT TSA and the Leeds office move. FY 21 capex expected to be between £3m-£3.5m
- > The Group paid the final dividend in respect of FY19 (£8.7m) and the interim dividend for FY20 (£4.7m)
- > Exceptional items mainly relate to IT integration, corporate transaction costs and COVID-19 related costs
- > Net debt at 31 March 2020 was £56.1m; leverage 1.98x. Medium term target remains to be around 1.5x
- > Cash at 31 March 2020 was £14.4m (FY 19: £5.5m)
- > At 31 March 2020, the Group had an undrawn committed facility of £9.5m, with a further facility of £10m agreed post balance sheet date.



Business review

Pensions Actuarial & Consulting – FY20 & Outlook

Business returned to growth in H2

- Pensions Solutions group has streamlined content generation
- Resource model improved to support delivery
- Continued focus on integration of bolt-on acquisitions
- Brand & profile supported by awards
- New business success including new appointments on 'large' schemes
- New hires to grow Risk Transfer advice and DC consulting
- Approach to GMP equalisation developed, pipeline building

KPIs – change during year

- ↑ Revenue FY20: £58.8m (FY19: £56.7m)
- ↑ Number of client facing staff
(Mar 20: 341, Sep 19: 336, Mar 19: 294)
- ↑ Clients with revenue above £10k
(Mar 20: 568, Sep 19: 534, Mar 19: 485)
- ↓ Number of client projects over £0.5m revenue
(Mar 20: 1, Mar 19: 2)
- ↑ New logo wins vs losses
(11 wins vs 4 losses and 3 wind-ups)

Example 'large' Scheme wins include:

- c.£4bn scheme – publishing sector
- c.£1bn scheme – motor industry
- £0.5bn+ scheme – motor industry



XPS Pensions Group PLC

XPS' Radar wins 'Actuarial Software of the Year'

Outlook

- Opportunity to support clients through regulatory changes (Funding Consultation and GMP equalisation)
- Opportunity to grow presence and revenues in risk transfer and DC consulting markets
- Merger of 'Big 3' into 'Big 2' could provide opportunities for new staff and clients
- Current pipeline of new (logo) opportunities heavily suppressed by CV-19

Pensions Administration – FY20 & Outlook

Strong performance at both revenue and operational level

- Successful on-boarding of new clients, maintaining high service levels
- Revenue growth reflects increase in members under administration
- Continued focus on integration of bolt-on acquisitions
- Strong new business performance including first time outsourcing
- Winner in Professional Pensions survey – 5th time in 6 years & Awarded Administration Provider of the Year by Professional Pensions
- Continued delays in GMP rectification / reconciliation projects due to HMRC

KPIs – change during year

- ↑ Revenue in FY 20: £42.9m (FY 19: £37.5m)
- ↑ Number of members under administration (Mar20: 924k, Sep 19: 884k, Mar 19: 877k)
- ↑ New logo wins versus losses (11 wins vs 5 loss)
- ↑ Number of administration staff (Mar20: 627, Sep 19: 622, Mar 19: 572)



	Overall ranking
XPS Administration	1
Barnett Waddingham	2
Premier Pensions	3
Trafalgar House	4
Buck	5
Spence	6
Willis Towers Watson	7
Hymans Robertson	8
Equiniti Pensions	9
RPMI	10
Aon Hewitt	11
Mercer	12=
JLT Employee Bens	12=
Capita Emp Bens	14

Source: Professional Pensions magazine commissioned a survey of the Third Party Administrator (TPA) market at the beginning of 2019.

Outlook

- Transitioning of new clients (including first time-outsource) which will take us to over 1m members
- Continued transition of Royal London / Trigon clients to XPS administration systems
- Data cleansing & GMP rectification work (and revenue) opportunity remains but timing dependant on HMRC
- CV-19 working model likely to lead to temporary reduction in efficiency and some client projects being delayed

Pensions Investment Consulting – FY20 & Outlook

Continued strong revenue growth, and key strategic hires

- Strong revenue growth driven by new clients coming on stream
- CMA review still generating opportunities - 13 new fiduciary monitoring appointments won in FY20
- Senior external hires arrived – Head of Manchester, Head of Edinburgh
- Activity levels supported by Radar Version 3
- Continued development of new business pipeline
- Development of streamlined governance solution for Trustees

KPIs – change during year

- ↑ Revenue FY 20: £9.6m (FY 19: £8.1m)
- ↑ Clients with revenue above £10k (Mar 20: 231, Sep 19: 190, Mar 19: 190)
- ↑ Number of clients with assets over £0.5bn (Mar 20: 18, Sep 19: 15, Mar 19: 13)
- ↑ Number of client facing staff (Mar 20: 65, Sep 19: 61, Mar 19: 54)
- ↑ New logo wins versus losses (4 wins vs 2 loss)



Outlook

- Current market volatility expected to drive strong demand for investment consulting services
- Continued new business opportunities, partly driven by CMA review
- Opportunity to broaden services through streamlined governance solution and growth in local regions
- Conflict free approach resonating with clients

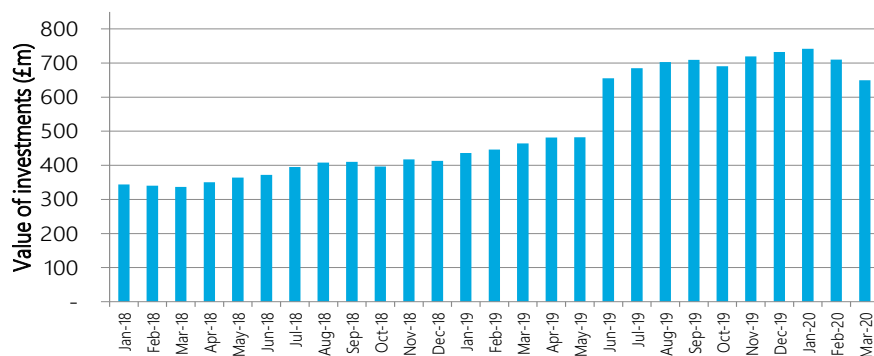
NPT and SIPP



Service Beyond the Call of Duty

National Pensions Trust – Revenue £2.4m (+71%)

- Defined contribution Mastertrust arrangement which achieved authorisation from TPR in August 2019
- Current focus on internal opportunities and developing the 'product' to broaden target market
- Strong growth – assets increased 40% during FY20 to £649m (peaking at £775m pre-Covid) due to strong demand within XPS client bank



Outlook

- Revenue likely to be impacted by falls in asset values and potentially delays in future transfers due to market volatility

SIPP– Revenue £3.0m (+0%)

- Revenue growth driven by SIPP sales via FCA regulated financial advisers.
- Industry SIPP activity over year subdued by Brexit instability.
- SSAS sales starting to re-emerge as new scheme approval timescales by HMRC markedly improve.
- Technology investments included new secure online member/adviser portal with confidential data repository
- Implementation of automated client on-boarding process to drive efficiency (launched in H2)
- Voted by IFAs as winner of Service Beyond the Call of Duty category, and commended Best SIPP Provider, in the 2019 Investment Life & Pensions Moneyfacts Awards

Outlook

- Revenue likely to be constrained by falls in bank base rates and Covid impact on financial confidence / new business volumes.

Bolt on acquisitions in FY20

- Transactions to access broader opportunities or enhance capabilities
- Earnings enhancing transactions, likely funded out of cash-flow

Royal London – completed 31 May 2019

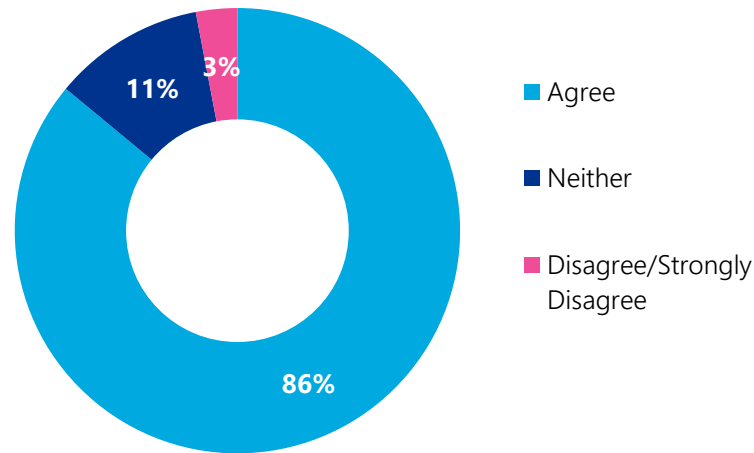
- Around 35 people providing administration and actuarial services to small DB schemes
- Consideration of £4.8m (all settled), revenue of £3.1m since acquisition
- Doubled our size in Edinburgh to circa 70 staff, creating critical mass
- The transaction improved our small scheme capability
 - Also small schemes need more value add services, which XPS can provide
- Strong cultural fit – high staff and client retention
- Extension of TSA in respect of some admin systems will add extra cost

Trigon - completed 31 October 2019

- Around 35 people providing administration and investment consulting services to DB schemes
 - Actuarial work outsourced to third party
- Consideration of £3.9m, revenue of £1m since acquisition
 - £1.1m of consideration contingent based on revenues, to be determined and paid in December 2020
- Doubled our size in Bristol to over 70 staff, creating critical mass
- Opportunity to bring actuarial appointments to XPS
 - 8 (out of 16) now signed up to XPS; further 6 expected to sign up
- Continued trading as Trigon, with access to XPS resource
 - Full rebrand planned for later in 2020

Focus on culture, clients and staff

Annual staff survey:
XPS is a good company to work for....



Wide ranging client survey, summer 2019 :



94% of clients expressed satisfaction with the overall relationship... including **nearly 8 out of 10** who were 'very satisfied' or 'delighted'

Strong focus on improving diversity and inclusion:

- **Established Diversity and Inclusion Group drawn from staff across the firm**
 - Sub groups focusing on individual areas
 - Both co-CEOs active participants
- **Have engaged specialist firm to guide policy making and implementation on diversity**
 - Aim to be true leader in the market in this area
- **Employee Engagement Group also established**
 - Includes a NED, and reports directly to the Board



» Summary & Outlook

Summary & Outlook



Good progress operationally and against all areas of strategy in FY20



Resilient business model and strong financial position



Favourable regulatory and competitor backdrop



Short-term CV-19 headwinds, but also opportunity to emerge stronger



Appendix

IFRS 16 – Accounting for leases

Impact on financial statements

	FY20	IAS 17	
Income Statement	£'000	FY20	
	£'000	£'000	Difference
Revenue	119,753	119,753	0
Rental cost	(170)	(2,597)	2,427
Dilapidation charge	144	58	86
Other underlying operating expense	(89,298)	(89,298)	-
Adjusted EBITDA	30,429	27,916	2,513
IFRS 16 Depreciation	(2,511)	-	(2,511)
Other depreciation and amortisation	(1,653)	(1,653)	-
Adjusted operating profit	26,265	26,263	2
IFRS 16 Interest cost	(280)	-	(280)
Other net finance cost	(2,090)	(2,090)	-
Adjusted profit before tax	23,895	24,173	(278)
Tax impact			53
PAT impact			(225)

	FY20	IAS 17	
Balance sheet	£'000	FY20	
	£'000	£'000	Difference
Non-current assets	228,552	215,814	12,738
Current assets	48,790	49,204	(414)
Total assets	277,342	265,018	12,324
Liabilities	124,397	111,848	12,549
Net assets	152,945	153,170	(225)

- > IFRS 16 adopted from 1 April 2019 - no adjustments to prior periods
- > Impact mainly on property leases
- > Rental cost in the income statement replaced by IFRS 16 amortisation and IFRS 16 interest cost



EBITDA +£2.5m



D&A (£2.5m)



Interest cost (£0.3m)



PAT (£0.2m)



Gross assets +£12.7m



Net current assets (£0.4m)



Net assets (£0.2m)

- > Leverage covenants based on pre-existing GAAP (IFRS 16 impact ignored)
- > Full year PAT impact is £0.2m

Divisional KPIs

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

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
Pensions Administration					
Reported revenue (£'000)	9,701	16,973	20,519	20,210	22,715
No. of schemes	408	399	454	588	658
Average fees per scheme (£'k)	34	43	45	34	35
No. of members	561,971	632,579	876,987	883,778	923,602
Average fees per member (£)	24	27	23	23	25
No. of staff	390	467	572	622	627
New logo wins (>£40k Annual revenue)	3	2	13	8	3
Losses (>£40k Annual revenue)	(1)	0	(1)	(2)	(3)

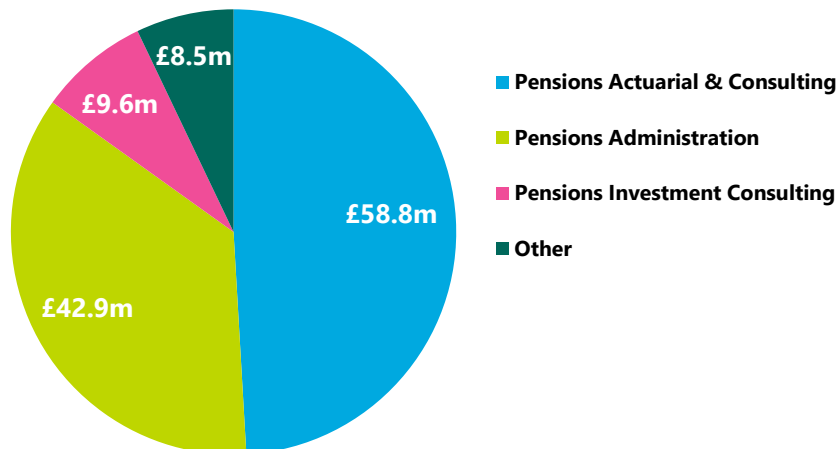
Divisional KPIs

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

5. Number of fee earners definition: headcount of the relevant departments within the business at the end of the reporting period
6. Average charge out rate definition: sum of charge out rates for all staff in the relevant departments, divided by total staff (excluding support staff)
7. 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
SIPP					
Reported revenue (£'000)	2,859	3,009	3,090	3,036	3,027
No. of schemes - Total	3,625	3,734	3,835	3,852	3,926
No. of schemes - SSAS	1,181	1,136	1,102	1,080	1,062
No. of schemes - SIPP	2,444	2,598	2,733	2,772	2,862
£ per scheme (£) - Total	789	806	806	788	771
£ per scheme (£) - SSAS	1,395	1,543	1,607	1,549	1,539
£ per scheme (£) - SIPP	496	483	483	491	486
No. of staff	63	65	65	69	67
NPT					
Reported revenue (£'000)	526	677	767	1,055	1,337
Value of assets (£'m)	337	410	464	710	649
Average charge per £ of asset (bp)	32	35	36	35	38

XPS overview



Business Line	Client facing staff Mar 20
Pensions Administration	627
Pensions Investment Consulting	65
Pensions Actuarial & Consulting	341
NPT / SSAS & SIPP	87
Total	1,120

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

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

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

Key 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

Key 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

Key revenue KPIs

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

Other KPIs

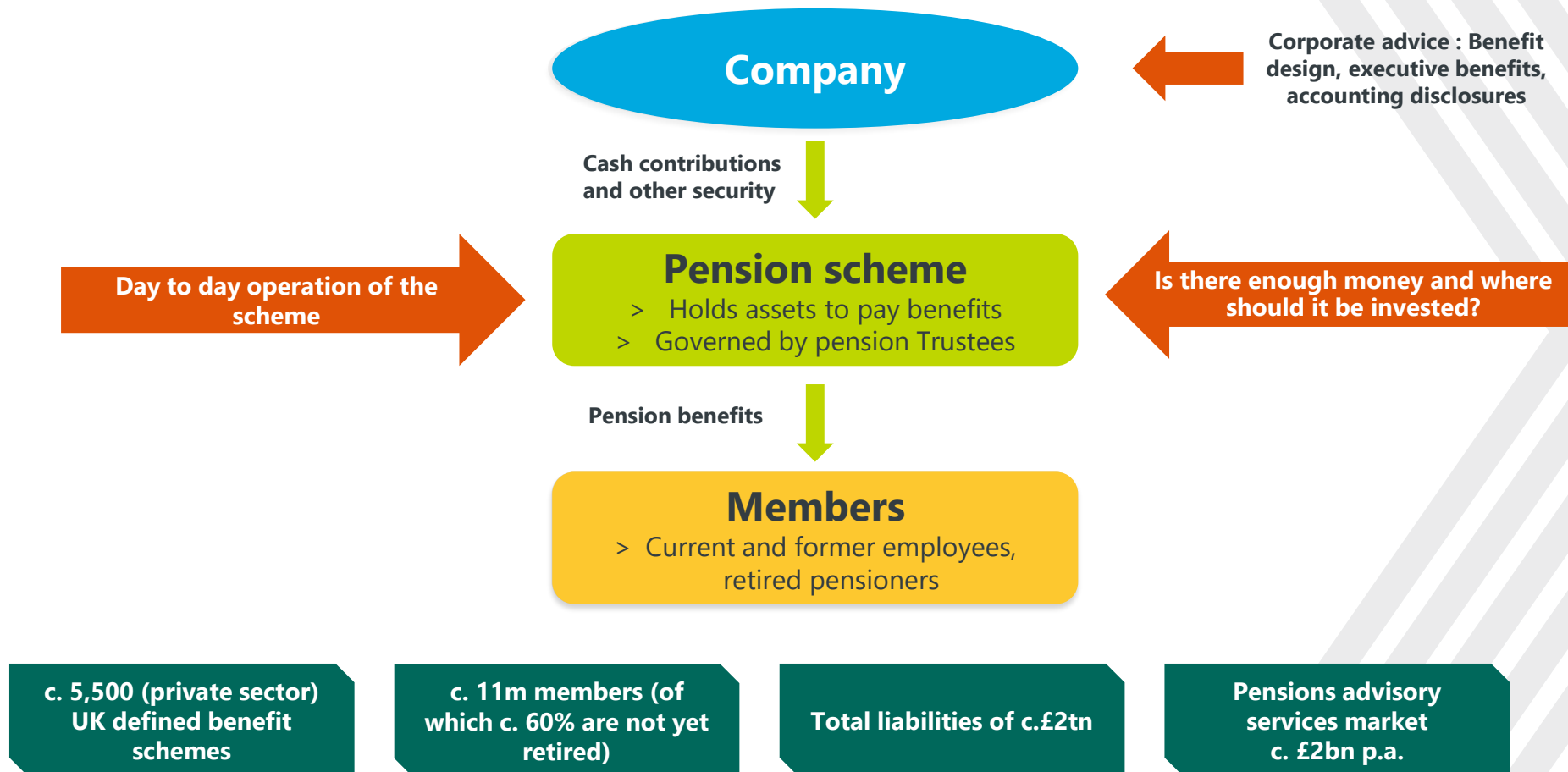
- > Volume of wins versus losses

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

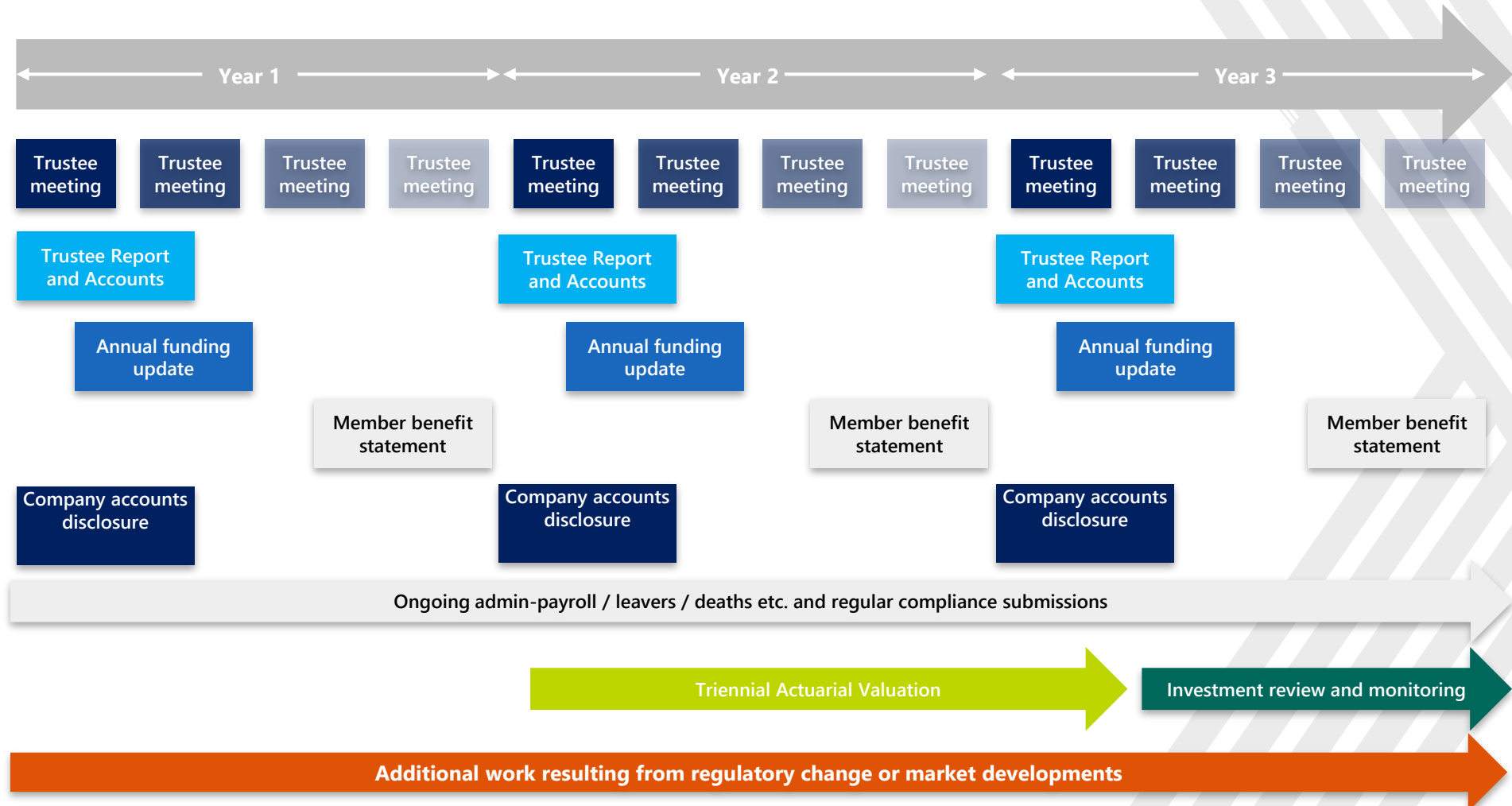
Who are our clients....

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).