EQT HOLDINGS LIMITED
ASX ANNOUNCEMENT

22 August 2024

Equity Trustees reports strong performance on all measures

Strategic focus and transformative investments driving growth

- Funds under management, administration and supervision at $202.8 billion, up 26.7% on the prior year
- Revenue increased 23.1% to $174.0 million
- Underlying net profit after tax up 13.8% to $37.9 million
- Statutory net profit after tax $20.7 million, up 10.0%
- Final dividend 53 cents per share, bringing total dividends for the year to 104 cents
- Strong progress to date on the AET integration, delivering on anticipated synergies and driving strong TWS performance
- Newly combined Corporate and Super business established and positioned for growth
- Expenses higher, driven by investment to support growth and some inflationary impacts
- Positive client satisfaction and employee engagement outcomes
- Charitable giving of $178 million providing valuable support in challenging times
- Outlook positive, with market leading positions and strong business pipelines

EQT Holdings Limited (ASX: EQT) (Equity Trustees) today announced its results for the year ending 30 June 2024. Managing Director Mick O'Brien said, "This has been a strong year for Equity Trustees, with FUMAS, revenue and profit all showing good growth.

"These results reflect a full twelve-month contribution from AET (relative to a seven-month contribution in the previous corresponding period (PCP)), realised revenue synergies, and strong organic growth in both Trustee and Wealth Services (TWS) and the newly combined Corporate and Superannuation Trustee Services (CSTS) business.

"Our strategic focus and investments are paying off, and the results are flowing through to the bottom line."

Equity Trustees Board Chair Carol Schwartz said, "Equity Trustees has had a positive year as it continues to pursue its growth strategy.

"We have remained focussed during a transformative year in which we successfully integrated AET, combined two of our major businesses and upgraded our technology systems.

The Board declared a 53 cent dividend for the half, taking the total for the year to 104 cents.

Mr O'Brien said growth in FUMAS had been strong and reached a record $203 billion.

"The significant rise in funds under our stewardship flows directly through to our revenue and positions us as one of Australia's top five wealth groups," he said.

Revenue increased 23.1% to $174.0 million for the year, while group underlying net profit after tax was up 13.8% to $37.9 million.

Mr O'Brien said the strong growth necessitated investment, and expenses rose 28.3% to $141.8 million.

"Expenses were understandably higher as we transferred all AET staff to the group, and continued to hire new staff in a tight employment market to manage our growth. Persistent inflation also impacted costs across the group," he said.

"We made pleasing progress on our major technology and transformation initiatives, with several key phases concluded during the year.

"Technology expenditure costs continue to be elevated, but are expected to be largely complete towards the end of FY25.

"On client satisfaction we again produced strong results, and for employee engagement we improved on key performance measures company wide."

Trustee and Wealth Services (TWS)

TWS had a strong year with revenue increasing 30.3% to $99.1 million. This above-trend growth was attributable to a full twelve-month contribution from AET, the realisation of $3.6 million of revenue synergies from the AET acquisition and good organic growth across most product lines.

"The integration of the AET business has exceeded expectations, and the investment is positioning us well to win new clients and other opportunities that are now flowing," Mr O'Brien said.

"Organic growth was strong and the pipeline of new business activity remains healthy, with the new digital solutions expected to further support organic growth momentum over time."

Corporate and Superannuation Trustee Services (CSTS)

The newly-combined Corporate and Superannuation Trustee Services (CSTS) business had a strong first year, with revenue up 15.3% to $71.5 million (not including UK/Ireland), reflecting a combination of good organic growth and positive investment markets.

Australian Fund Governance and Trustee Services revenue increased by 11.1%, with pronounced new business activity, while Superannuation revenue increased by 21.3% driven by new appointments and funds flow.

During the year the operations in Ireland were disposed of, and the exit from the UK is being managed and is expected to complete in the first half of FY25.

Mr O'Brien said, "The short term outlook for CSTS remains positive, with a strong pipeline of new business activity."

Outlook

Mr O'Brien said, "The outlook for the Group is positive, with its transformed structure, enhanced digital capability and enlarged footprint providing a solid basis for further growth.

"The outlook for FY25 benefits from the scaling down of one-off costs related to the integration of AET and our substantial technology investments, and the exit from Ireland and the UK. The industry fundamentals continue to favour our specialist trustee model, despite increasing regulatory intensity.

"In the shorter term, global investment markets are likely to remain highly volatile for some time, however our balance sheet remains strong with low gearing and healthy levels of liquidity proving flexibility for the future."

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).