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26 August 2021

### **IOOF Investor and Analyst Pack and Investor and Analyst Book**

IOOF Holdings Ltd (IOOF) today releases its IOOF Investor and Analyst Pack - a detailed template for presenting IOOF's corporate financial information. This financial information covers FY21 and the comparative periods FY19 and FY20 in a half-on-half view. All information is presented on a continuing operations basis.

Included with the Pack is the IOOF Investor and Analyst Book, which provides an overview of IOOF's business reporting segments and additional details on the composition of segments and material drivers of gross margin and profitability, as well as additional detail on the FY21 result by business unit.

An excel version of IOOFs Analyst and Investor Pack will be available online at <a href="https://www.ioof.com.au/shareholders/reports">https://www.ioof.com.au/shareholders/reports</a>.

- ENDS -

This announcement was approved for release by the IOOF Holdings Ltd Board.

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#### **About IOOF Holdings Ltd**

IOOF has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become one of the largest groups in the financial services industry.

IOOF provides advisers and their clients with the following services:

- Financial Advice services via our extensive network of financial advisers.
- Portfolio & Estate Administration for advisers, their clients and hundreds of employers in Australia.
- **Investment Management** products that are designed to suit any investor's needs.

Further information about IOOF can be found at www.ioof.com.au



#### IOOF Investor and Analyst Pack - Important Disclaimer

#### Important information

This analyst pack has been prepared by IOOF Holdings ABN 49 100 103 722 (IOOF). It is general information on IOOF and its subsidiaries (IOOF Group) current as at 26 August 2021.

It is in summary form and is not necessarily complete. It should be read together with the company's consolidated financial statements lodged with the ASX on 26 August 2021. Information and statements in this pack do not constitute investment advice or a recommendation in relation to IOOF or any product or service offered by IOOF or any of its subsidiaries and should not be relied upon for this purpose. Prior to making a decision in relation to IOOF's securities, products or services, investors or clients and potential investors or clients should consider their own investment objectives, financial situation and needs and obtain professional advice.

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This presentation contains forward looking statements, including statements regarding IOOF's intent, objective, belief or current expectation relating to IOOF's businesses and operations, market conditions or results of operations and financial condition, including any statements related to or affected by the ongoing impact of the COVID-19 pandemic and remediation programs. These are based on IOOF's current expectations about future events and is subject to known and unknown risks and uncertainties, many of which are beyond the control of the IOOF Group. Actual events may differ materially from those contemplated in such forward looking statements and could cause actual results, performance or events to differ materially from those express or implied. Forward looking statements are not guarantees or representations about future performance and should not be relied upon as such.

IOOF does not undertake to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to its regulatory and disclosure requirements.

Underlying net profit after tax pre amortisation (UNPAT) attributable to equity holders of IOOF reflect an assessment of the result for the ongoing business of the IOOF Group as determined by the Board and management. UNPAT has been calculated with regard to ASIC's Regulatory Guide 230 Disclosing non-IFRS financial information and the adjustments to NPAT are set out on pages 6 and 7 of the 30 June 2021 Annual Financial Report. UNPAT attributable to equity holders of IOOF has not been reviewed or audited by the Group's external auditors, however the adjustments to NPAT attributable to equity holders of IOOF have been extracted from the books and records that have been reviewed by the external auditor. UNPAT is disclosed as it is useful for investors to gain a better understanding of IOOF's financial results from normal operating activities.

Nothing in this presentation should be construed as either an offer to sell or solicitation of an offer to buy or sell IOOF securities or units in any fund referred to in this presentation in any jurisdiction. The Product Disclosure Statement (PDS) for these funds are issued by members of the IOOF Group. The applicable PDS should be considered before deciding whether to acquire or hold units in a fund and can be obtained by calling 1800 913 118 or visiting our website www.ioof.com.au

All references to currency in this presentation are to Australian currency, unless otherwise stated. Certain figures may be subject to rounding differences.

Cost to income

Return on equity

#### **Group Result - Key Measures** Historical period restatements shown in italics - restatements relate to removal of FUAdvice as a business metric 1H20 2H20 FY20 FY21 FY20 v FY21 1H19 2H19 1H21 2H21 **NPAT** 99.9 98.1 67.5 65.9 81.9 128.8 147.8 18.9 14.7% UNPAT (\$m) 61.4 UNPAT (Continuing Operations) (\$m) 92.5 90.8 56.5 67.5 65.9 81.9 124.0 147.8 23.7 19.1% Statutory NPAT (\$m) 135.4 (106.9)115.0 26.2 54.4 (198.0)141.2 (143.5)(284.7)n/a Statutory NPAT (Continuing Operations) (\$m) 69.6 (99.4)27.8 25.2 54.4 (198.0)53.0 (143.5)(196.5)n/a **FUMA** Closing FUMA (\$b) 60.8 66.6 69.1 131.8 137.1 453.4 131.8 453.4 321.6 n/a Closing FUMA (Continuing Operations) (\$b) 60.2 68.5 453.4 453.4 321.6 66.0 131.8 137.1 131.8 n/a Average FUMA (Continuing Operations) (\$b) 53.4 123.3 133.8 191.6 60.3 63.4 67.5 169.6 230.0 35.6% Net Flows (Continuing Operations) (\$b) 0.4 0.4 0.5 (0.4)(3.0)(1.0)0.1 (4.0)(4.1)n/a **EPS** UNPAT EPS (cents per share) 28.5 28.0 17.5 19.3 12.4 12.6 36.8 25.1 (11.7)(31.9%)UNPAT EPS (Continuing Operations) (cents per share) 26.4 25.9 12.4 12.6 35.4 25.1 (10.4)16.1 19.3 (29.2%)Basic EPS (cents per share) 32.8 40.3 38.6 (30.5)7.5 10.2 (30.5)(24.4)(64.7)n/a Diluted EPS (cents per share) 38.5 (30.4)32.8 7.5 10.2 (30.4)40.2 (24.3)(64.5)n/a Basic EPS (Continuing Operations) (cents per share) 19.9 (28.4)7.9 7.2 10.2 (30.5)15.1 (24.4)(39.5)n/a **Dividends** Ordinary dividends declared (\$m) 89.4 42.2 51.9 56.2 64.9 61.7 121.1 113.6 (7.5)(6.2%)Ordinary dividends declared (cents per share) 25.5 12.0 16.0 8.0 9.5 27.5 (10.0)11.5 17.5 (36.4%)Special dividends declared (\$m) 24.6 22.7 13.0 24.6 35.7 11.2 45.4% 3.5 Special dividends declared (cents per share) 7.0 2.0 7.0 5.5 (1.5)(21.4%)Payout ratio 89.6% 43.0% 91.5% 96.3% 78.9% 75.3% 94.0% 76.9% (17.1%)(18.2%)**Share Price** Opening share price \$8.99 \$5.17 \$5.17 \$7.86 \$4.92 \$3.52 \$5.17 \$4.92 (\$0.25)(4.8%)\$3.52 Closing share price \$5.17 \$5.17 \$7.86 \$4.92 \$4.27 \$4.92 \$4.27 (\$0.65)(13.2%)Total shareholder return (\$3.57)\$0.12 \$2.92 (\$2.83)(\$1.29)\$0.87 \$0.10 (\$0.42)(\$0.52)n/a Total shareholder return (%) (39.7%)2.3% 56.5% (35.9%)(26.1%)24.6% 1.8% (8.5%)(10.4%)n/a **Ratios**

53.5%

10.9%

62.4%

7.2%

65.5%

7.9%

68.2%

5.7%

68.4%

6.1%

64.1%

7.5%

68.3%

5.9%

4.2%

(1.6%)

6.5%

(21.6%)

51.6%

10.9%

#### Underlying Group Result - P&L Summary (Continuing Operations)

Historical period restatements shown in italics - restatements relate to change in treatment to show certain gross margin items on a net basis

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	\$m	%							
Revenue	463.0	502.0	481.4	572.1	596.1	661.2	1,053.4	1,257.3	203.8	19.4%
Direct Costs	(209.0)	(259.3)	(233.0)	(242.8)	(246.8)	(247.8)	(475.8)	(494.6)	(13.7)	(2.9%)
Gross Margin	254.1	242.7	248.3	329.3	349.3	413.4	577.6	762.7	101.0	17.5%
Other Revenue	6.6	8.6	6.0	5.4	2.0	6.1	11.3	8.1	(3.9)	(34.8%)
Share of equity profit/loss	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.3)	(0.5)	(1.0)	(0.6)	n/a
Operating Expenditure	(149.3)	(157.6)	(163.7)	(220.7)	(239.8)	(286.8)	(384.4)	(526.5)	(76.1)	(19.8%)
Net Non-cash	(8.9)	(5.0)	(12.4)	(14.6)	(14.9)	(17.2)	(27.0)	(32.0)	(2.5)	(9.4%)
Net Interest	27.7	36.5	1.0	(3.9)	(3.4)	(3.8)	(3.0)	(7.2)	(4.4)	n/a
Income Tax Expense/Non-controlling Interest	(37.7)	(34.5)	(22.6)	(27.4)	(26.7)	(29.6)	(50.1)	(56.3)	(4.1)	(8.2%)
UNPAT	92.5	90.8	56.5	67.5	65.9	81.9	124.0	147.8	9.4	7.5%

#### Underlying Group Result - P&L Detail

Historical period restatements shown in italics - restatements relate to change in treatment to show certain gross margin items on a net basis

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Gross Margin						<u> </u>				
Management and Service fees revenue	445.6	480.9	458.2	543.9	570.3	637.5	1,002.1	1,207.8	205.7	20.5%
Other Fee Revenue	17.4	21.1	23.1	28.2	25.8	23.7	51.3	49.5	(1.9)	(3.6%)
Service and Marketing fees expense	(196.5)	(246.3)	(219.0)	(220.6)	(224.9)	(219.7)	(439.6)	(444.6)	(5.0)	(1.1%)
Other Direct Costs	(12.4)	(12.9)	(14.0)	(22.2)	(21.8)	(28.0)	(36.2)	(49.8)	(13.6)	(37.7%)
Amortisation of deferred acquisition costs	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)	(0.1)	n/a
Total Gross Margin	254.1	242.7	248.3	329.3	349.3	413.4	577.6	762.7	185.1	32.0%
Other Revenue										
Stockbroking revenue	2.3	2.3	1.7	1.6	1.7	1.7	3.3	3.3	(0.0)	(0.2%)
Stockbroking service fees	(0.6)	(0.7)	(0.7)	(0.6)	(0.5)	(0.5)	(1.2)	(1.0)	0.2	17.1%
Dividends and distributions received	0.7	0.6	0.8	0.6	0.3	0.4	1.4	0.7	(0.7)	(52.7%)
Net fair value gains/(losses) on other financial assets at fair value through	_	0.1	0.0	(0.1)	0.0	0.2	(0.1)	0.3	0.3	n/a
profit or loss		_					` ,			.,
Other revenue	4.3	6.3	4.2	3.7	0.7	4.3	7.9	4.9	(3.0)	(37.9%)
Total Other Revenue	6.6	8.6	6.0	5.4	2.0	6.1	11.3	8.1	(3.2)	(28.3%)
Equity Accounted Profits										
Share of profits of associates and jointly controlled entities accounted for using the equity method	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.3)	(0.5)	(1.0)	(0.5)	(100.0%)
Total Equity Accounted Profits	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.3)	(0.5)	(1.0)	(0.5)	(100.0%)

### Underlying Group Result - P&L Detail (continued)

Operating Expenditure										
Salaries and related employee expenses	(95.3)	(100.1)	(108.6)	(159.4)	(178.3)	(210.8)	(268.0)	(389.1)	(121.1)	(45.2%)
Employee defined contribution plan expense	(7.3)	(7.8)	(8.5)	(10.0)	(10.6)	(13.7)	(18.5)	(24.3)	(5.8)	(31.5%)
Information technology costs	(17.7)	(18.9)	(19.9)	(20.3)	(21.1)	(23.5)	(40.1)	(44.5)	(4.4)	(11.0%)
Professional fees	(4.5)	(5.3)	(4.4)	(11.0)	(9.6)	(14.8)	(15.4)	(24.4)	(9.0)	(58.1%)
Marketing	(5.6)	(5.0)	(6.6)	(2.8)	(2.2)	(4.0)	(9.3)	(6.1)	3.2	34.2%
Office support and administration	(7.2)	(8.5)	(9.0)	(12.6)	(13.4)	(14.6)	(21.6)	(28.0)	(6.4)	(29.7%)
Occupancy related expenses	(8.8)	(9.3)	(3.0)	(3.8)	(4.1)	(5.2)	(6.8)	(9.4)	(2.6)	(38.2%)
Travel and entertainment	(3.2)	(2.9)	(3.6)	(1.0)	(0.5)	0.1	(4.6)	(0.4)	4.2	91.0%
Other	0.3	0.0	(0.0)	-	-	(0.3)	(0.0)	(0.3)	(0.3)	n/a
Total Operating Expenditure	(149.3)	(157.6)	(163.7)	(220.7)	(239.8)	(286.8)	(384.4)	(526.5)	(142.2)	(37.0%)
Net non cash (Ex. Amortisation from acquisitions)										
Share based payments expense	(4.4)	(0.4)	(1.8)	(1.2)	(1.2)	(1.0)	(2.9)	(2.2)	0.8	25.8%
Depreciation of property, plant and equipment	(4.1)	(4.3)	(10.2)	(13.000)	(13.4)	(15.8)	(23.2)	(29.1)	(5.9)	(25.4%)
Amortisation of intangible assets - IT development	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.8)	(0.8)	0.1	7.1%
Total Net non cash (Ex. Amortisation from acquisitions)	(8.9)	(5.0)	(12.4)	(14.600)	(14.9)	(17.2)	(27.0)	(32.0)	(5.1)	(18.9%)
Net Interest										
Interest income on loans to directors of controlled and associated entities	0.1	0.1	0.1	0.0	-	0.0	0.1	0.0	(0.1)	(90.7%)
Interest income on financial assets measured at fair value	-	-	-	-	-	0.3	-	0.3	0.3	n/a
Interest income from non-related entities	32.4	44.5	8.7	2.5	2.0	1.5	11.2	3.5	(7.7)	(68.5%)
Finance Costs	(4.8)	(8.1)	(7.8)	(6.5)	(5.4)	(5.6)	(14.3)	(11.1)	3.2	22.4%
Total Net Interest	27.7	36.5	1.0	(3.9)	(3.4)	(3.8)	(3.0)	(7.2)	(4.2)	n/a
Income Tax & NCI										
Non-controlling Interest	0.1	0.1	0.6	(0.4)	0.0	0.0	0.2	0.0	(0.2)	(88.7%)
Income tax expense	(37.9)	(34.6)	(23.2)	(27.1)	(26.8)	(29.6)	(50.3)	(56.3)	(6.1)	(12.0%)
Total Income Tax & NCI	(37.7)	(34.5)	(22.6)	(27.4)	(26.7)	(29.6)	(50.1)	(56.3)	(6.2)	(12.5%)
Underlying NPAT excluding Discontinued Operations	92.5	90.8	56.5	67.540	65.9	81.9	124.0	147.8	23.7	19.1%
Discontinued Operations - Corporate Trust	(0.2)	(0.1)	-	-	-	-	-	-	-	n/a
Discontinued Operations - Ord Minnett	6.6	6.7	3.6	-	-	-	3.6	-	(3.6)	(100.0%)
Discontinued Operations - IOOF NZ	0.5	0.2	0.2	(0.1)	-	-	0.1	-	(0.1)	(100.0%)
Discontinued Operations - PVM	0.4	0.5	1.0	-	-	-	1.0	-	(1.0)	(100.0%)
Underlying NPAT (pre-amortisation of intangible assets)	99.9	98.1	61.4	67.5	65.9	81.9	128.8	147.8	18.9	14.7%

### Financial Advice and Distribution - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
Segment EBITDA (\$m)	46.9	41.8	43.4	35.4	30.5	8.8	78.8	39.2	(39.6)	(50.2%)
Gross margin (\$m)	97.5	90.6	92.4	85.3	82.1	70.4	177.7	152.5	(25.3)	(14.2%)
Cost to income	54.0%	55.4%	54.7%	59.1%	62.6%	87.1%	56.8%	74.1%	17.3%	30.6%

### Financial Advice and Distribution - P&L

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	\$m	\$m	%						
Gross Margin								_		
Management and Service fees revenue	187.0	183.0	185.2	170.6	163.4	145.4	355.8	308.8	(47.0)	(13.2%)
Other Fee Revenue	7.9	7.8	7.7	9.5	9.3	8.8	17.3	18.1	8.0	4.8%
Service and Marketing fees expense	(90.6)	(92.9)	(94.7)	(89.2)	(85.3)	(81.3)	(183.9)	(166.6)	17.3	9.4%
Other Direct Costs	(6.8)	(7.3)	(5.8)	(5.6)	(5.3)	(2.5)	(11.4)	(7.8)	3.6	31.4%
Amortisation of deferred acquisition costs	(0.0)	-	=	=	-	=	-	=	-	n/a
Total Gross Margin	97.5	90.6	92.4	85.3	82.1	70.4	177.7	152.5	(25.3)	(14.2%)
Other Revenue	4.3	3.1	3.6	2.1	1.3	3.1	5.7	4.4	(1.3)	(22.2%)
Equity Accounted Profits	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.7)	(0.5)	(1.4)	(0.9)	n/a
Operating Expenditure incl Corporate Recharge	(55.0)	(51.9)	(52.5)	(51.6)	(52.2)	(64.0)	(104.1)	(116.2)	(12.1)	(11.7%)
Segment EBITDA	46.9	41.8	43.4	35.4	30.5	8.8	78.8	39.2	(39.6)	(50.2%)

### Financial Advice and Distribution ex-MLC - P&L

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	\$m	\$m	%						
Gross Margin										
Management and Service fees revenue	187.0	183.0	185.2	170.6	163.4	127.7	355.8	291.1	(64.7)	(18.2%)
Other Fee Revenue	7.9	7.8	7.7	9.5	9.3	8.6	17.3	17.9	0.6	3.6%
Service and Marketing fees expense	(90.6)	(92.9)	(94.7)	(89.2)	(85.3)	(68.7)	(183.9)	(154.0)	29.9	16.3%
Other Direct Costs	(6.8)	(7.3)	(5.8)	(5.6)	(5.3)	(2.5)	(11.4)	(7.8)	3.6	31.4%
Amortisation of deferred acquisition costs	(0.0)	-	-	-	-	=	=	-	-	n/a
Total Gross Margin	97.5	90.6	92.4	85.3	82.1	65.1	177.7	147.2	(30.5)	(17.2%)
Other Revenue	4.3	3.1	3.6	2.1	1.3	3.1	5.7	4.4	(1.3)	(22.2%)
Equity Accounted Profits	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.7)	(0.5)	(1.4)	(0.9)	n/a
Operating Expenditure incl Corporate Recharge	(55.0)	(51.9)	(52.5)	(51.6)	(52.2)	(51.3)	(104.1)	(103.5)	0.6	0.5%
Segment EBITDA	46.9	41.8	43.4	35.4	30.5	16.2	78.8	46.7	(32.1)	(40.7%)

#### MLC Advice contribution to Financial Advice and Distribution

Acquired 31 May 2021

	June 2021 \$m
Gross Margin	
Management and Service fees revenue	17.7
Other Fee Revenue	0.2
Service and Marketing fees expense	(12.7)
Other Direct Costs	-
Amortisation of deferred acquisition costs	-
Total Gross Margin	5.2
Other Revenue	-
Equity Accounted Profits	-
Operating Expenditure incl Corporate Recharge	(12.7)
EBITDA	(7.4)

#### Portfolio and Estate Administration - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
Segment EBITDA (\$m)	62.6	60.5	52.6	43.9	41.2	35.0	96.5	76.2	(20.3)	(21.0%)
Closing FUAdm (\$b)	38.9	43.1	44.9	42.0	44.8	48.4	42.0	48.4	6.4	15.3%
Average FUAdm (\$b)	40.2	41.1	44.2	42.7	43.0	46.3	43.5	44.6	1.2	2.7%
Net flows (\$b)	0.7	0.8	0.8	0.6	0.3	0.9	1.4	1.1	(0.2)	(16.6%)
Gross margin (\$m)	119.1	112.8	111.5	100.0	102.1	97.9	211.5	200.0	(11.5)	(5.4%)
Gross margin	0.59%	0.55%	0.50%	0.47%	0.47%	0.43%	0.49%	0.45%	(0.04%)	(7.9%)
Net operating margin	0.31%	0.30%	0.24%	0.21%	0.19%	0.15%	0.22%	0.17%	(0.05%)	(23.0%)
Cost to income	47.5%	46.4%	52.8%	56.1%	59.7%	64.1%	54.4%	61.8%	7.5%	13.7%

#### Portfolio and Estate Administration - P&L

Historical period restatements shown in italics - restatements relate to change in treatment to show certain gross margin items on a net basis

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	
	\$m	\$m	\$m	%						
Gross Margin										
Management and Service fees revenue	204.5	197.5	129.5	117.7	114.7	107.1	247.2	221.8	(25.4)	(10.3%)
Other Fee Revenue	4.6	3.9	4.5	4.3	4.4	4.4	8.7	8.7	0.0	0.3%
Service and Marketing fees expense	(87.2)	(86.0)	(18.5)	(17.4)	(13.7)	(4.7)	(36.0)	(18.4)	17.5	48.7%
Other Direct Costs	(2.6)	(2.5)	(3.9)	(4.5)	(3.2)	(8.7)	(8.5)	(11.9)	(3.5)	(41.1%)
Amortisation of deferred acquisition costs	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)	(0.1)	n/a
Total Gross Margin	119.1	112.8	111.5	100.0	102.1	97.9	211.4	200.0	(11.4)	(5.4%)
Other Revenue	_	-	-	-	-	-	-	-	-	n/a
Equity Accounted Profits	=	=	-	-	-	-	-	-	-	n/a
Operating Expenditure incl Corporate Recharge	(56.6)	(52.4)	(58.9)	(56.1)	(60.9)	(62.9)	(115.0)	(123.8)	(8.8)	(7.6%)
Segment EBITDA	62.6	60.5	52.6	43.9	41.2	35.0	96.4	76.3	(20.2)	(20.9%)

### Investment Management - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
Segment EBITDA (\$m)	27.6	24.8	29.4	26.5	23.8	27.2	55.9	51.0	(4.9)	(8.8%)
Closing FUM (\$b)	21.3	22.9	23.6	22.4	21.8	23.5	22.4	23.5	1.1	5.0%
Average FUM (\$b)	21.8	22.2	23.3	22.7	22.5	22.4	23.0	22.5	(0.5)	(2.3%)
Net flows (\$b)	(0.3)	(0.3)	(0.3)	(0.1)	(2.2)	(0.4)	(0.4)	(2.6)	(2.2)	n/a
Gross margin (\$m)	32.7	30.4	34.6	31.9	30.8	33.7	66.5	64.5	(2.0)	(3.0%)
Gross margin	0.30%	0.28%	0.29%	0.28%	0.27%	0.30%	0.29%	0.29%	(0.00%)	(0.7%)
Net operating margin	0.25%	0.23%	0.25%	0.24%	0.21%	0.24%	0.24%	0.23%	(0.02%)	(6.6%)
Cost to income	15.7%	18.3%	15.0%	16.8%	22.7%	19.3%	15.9%	20.9%	5.1%	31.9%

### Investment Management - P&L

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	%								
Gross Margin	'									
Management and Service fees revenue	49.4	46.3	51.3	47.0	47.0	49.5	98.3	96.5	(1.8)	(1.9%)
Other Fee Revenue	1.9	5.2	3.6	3.7	2.6	2.4	7.3	5.0	(2.3)	(32.1%)
Service and Marketing fees expense	(15.7)	(17.9)	(17.0)	(16.1)	(15.6)	(15.4)	(33.1)	(31.0)	2.1	6.4%
Other Direct Costs	(2.9)	(3.1)	(3.3)	(2.8)	(3.2)	(2.8)	(6.1)	(6.0)	0.1	1.3%
Amortisation of deferred acquisition costs	-	-	-	-	-	-	-	-	-	n/a
Total Gross Margin	32.7	30.4	34.6	31.9	30.8	33.7	66.5	64.5	(2.0)	(3.0%)
Other Revenue	-	-	-	-	-	-	-	-	-	n/a
Equity Accounted Profits	-	-	-	-	-	-	-	-	-	n/a
Operating Expenditure incl Corporate Recharge	(5.2)	(5.6)	(5.2)	(5.3)	(7.0)	(6.5)	(10.5)	(13.5)	(2.9)	(27.9%)
Segment EBITDA	27.6	24.8	29.4	26.5	23.8	27.2	55.9	51.0	(4.9)	(8.8%)

#### Ex-ANZ Pensions and Investments - Key Measures

Acquired 31 January 2020							
	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
Segment EBITDA (\$m)	37.4	49.3	69.1	37.4	118.4	81.1	n/a
Closing FUMA (\$b)	67.4	70.4	80.3	67.4	80.3	12.9	19.1%
Average FUMA (\$b)	69.8	68.3	73.4	69.8	70.9	1.1	1.6%
Net flows (\$b)	(0.8)	(1.0)	(1.7)	(8.0)	(2.7)	(1.9)	n/a
Gross margin (\$m)	100.9	125.3	143.6	100.9	268.9	168.0	n/a
Gross margin	0.35%	0.36%	0.39%	0.35%	0.38%	0.03%	8.3%
Net operating margin	0.13%	0.14%	0.19%	0.13%	0.17%	0.04%	28.7%
Cost to income	63.1%	60.7%	51.9%	63.1%	56.0%	(7.2%)	(11.3%)

#### Ex-ANZ Pensions and Investments - P&L

Historical period restatements shown in italics - restatements relate to change in treatment to show certain gross margin items on a net basis

	2H20	1H21	2H21	FY20	FY21	FY20 v	/ FY21	
	\$m	\$m	\$m	\$m	\$m	\$m	%	
Gross Margin	-				_			
Management and Service fees revenue	114.4	152.9	167.1	114.4	320.0	205.6	n/a	
Other Fee Revenue	2.9	5.5	3.7	2.9	9.1	6.2	n/a	
Service and Marketing fees expense	(7.0)	(23.0)	(17.1)	(7.0)	(40.0)	(33.0)	n/a	
Other Direct Costs	(9.4)	(10.1)	(10.1)	(9.4)	(20.2)	(10.7)	n/a	
Amortisation of deferred acquisition costs		-				-	n/a	
Total Gross Margin	100.9	125.3	143.6	100.9	268.9	168.0	n/a	
Other Revenue	0.5	0.1	0.1	0.5	0.1	(0.4)	(79.6%)	
Equity Accounted Profits	-	-	-	-	-	-	n/a	
Operating Expenditure incl Corporate Recharge	(64.0)	(76.1)	(74.5)	(64.0)	(150.6)	(86.6)	n/a	
Segment EBITDA	37.4	49.3	69.1	37.4	118.4	81.1	n/a	

#### Ex-ANZ Pensions and Investments - Historical Unaudited Proforma Information

	1H19 Unaudited U	2H19 Inaudited U	audited Unaudited Un		1H21 Reported	2H21 Reported	FY20 FY21 Unaudited Reported		FY20 v	FY21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Gross Margin	153.6	146.9	144.5	125.3	125.3	143.6	269.8	268.9	(0.9)	(0.3%)
Other Revenue Equity Accounted Profits	2.4	2.6	1.9 -	2.1	0.1	0.1	4.0 -	0.1	(3.9)	(97.2%) n/a
Operating Expenditure	(82.3)	(80.6)	(85.9)	(81.3)	(76.1)	(74.5)	(167.2)	(150.6)	16.6	9.9%
Segment EBITDA	73.7	68.9	60.5	46.1	49.3	69.1	106.6	118.4	11.8	11.1%

<sup>&</sup>lt;sup>1</sup>Proforma result for six month period (IOOF ownership for the 5 months post-31 January 2020)

### Ex-ANZ Wealth Management - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
Segment EBITDA (\$m)	(7.5)	(15.5)	(15.5)	(10.9)	(13.4)	(12.5)	(26.5)	(25.9)	0.6	2.1%
Gross margin (\$m)	4.1	8.4	9.4	11.1	8.2	5.0	20.5	13.2	(7.3)	(35.5%)
Cost to income	231.6%	218.6%	246.6%	185.6%	254.7%	294.5%	213.2%	271.7%	58.5%	27.4%

### Ex-ANZ Wealth Management - P&L

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Gross Margin										
Management and Service fees revenue	47.7	98.2	99.4	104.3	98.9	92.9	203.7	191.8	(11.9)	(5.8%)
Other Fee Revenue	2.9	4.1	7.0	7.8	5.6	3.7	14.8	9.3	(5.5)	(37.0%)
Service and Marketing fees expense	(46.3)	(93.8)	(96.1)	(101.2)	(96.2)	(91.3)	(197.2)	(187.6)	9.7	4.9%
Other Direct Costs	(0.2)	(0.1)	(1.0)	0.2	(0.1)	(0.3)	(8.0)	(0.4)	0.4	50.3%
Amortisation of deferred acquisition costs		-	-	-	-	<u>-</u>	-	<u>-</u> _		n/a
Total Gross Margin	4.1	8.4	9.4	11.1	8.2	5.0	20.5	13.2	(7.3)	(35.5%)
Other Revenue	1.5	4.7	1.2	1.7	0.4	1.4	2.9	1.9	(1.0)	(35.7%)
Equity Accounted Profits	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	1.2%
Operating Expenditure incl Corporate Recharge	(13.1)	(28.6)	(26.1)	(23.8)	(22.0)	(19.0)	(49.9)	(41.0)	8.9	17.8%
Segment EBITDA	(7.5)	(15.5)	(15.5)	(10.9)	(13.4)	(12.5)	(26.5)	(25.9)	0.6	2.1%

### MLC - P&L

Acquired 31 May 2021	Operating segment 2H21 \$m	incl MLC Advice 2H21 \$m
Gross Margin		
Management and Service fees revenue	77.7	95.4
Other Fee Revenue	1.2	1.4
Service and Marketing fees expense	(13.2)	(25.9)
Other Direct Costs	(3.4)	(3.4)
Amortisation of deferred acquisition costs	-	=
Total Gross Margin	62.3	67.6
Other Revenue	1.1	1.1
Equity Accounted Profits	0.4	0.4
Operating Expenditure	(34.5)	(47.2)
Segment EBITDA	29.4	21.9

### MLC - Pro forma financial information

	FY20 FY21		FY20 v	FY21
MLC Advice				
Gross Margin (\$m)	75.9	67.5	(8.4)	(11.1%)
Operating expenditure (\$m)	(196.9)	(170.2)	26.7	13.6%
EBITDA (\$m)	(120.7)	(102.7)	18.0	14.9%
UNPAT (\$m)	(86.0)	(71.9)	14.1	16.4%
MLC Advice (employed) avg revenue per adviser (\$m)	0.37	0.42	0.05	13.5%
MLC Advice (employed) avg ongoing advice fee (\$)	2,697	3,215	518	19.2%
MLC Advice (employed) ongoing client #	6,353	6,397	44	0.7%
MLC Retirement & Investment Solutions				
Gross Margin (\$m)	536.6	480.3	(56.3)	(10.5%)
Operating expenditure (\$m)	(348.2)	(334.2)	14.0	4.0%
EBITDA (\$m)	188.4	147.4	(41.0)	(21.8%)
UNPAT (\$m)	121.0	103.1	(17.9)	(14.8%)
Average FUAdmin (\$b)	115.2	117.1	1.9	1.6%
GM (%)	0.47%	0.41%	(0.06%)	(12.8%)
NOM (%)	0.16%	0.13%	(0.03%)	(18.8%)
FUAdmin (Close) (\$b)	111.8	126.0	14.2	12.7%
Net Flows (incl Early Release of Super) (\$m)	(3,419)	(3,467)	(48)	(1.4%)
MLC Asset Management				
Gross Margin (\$m)	211.8	218.5	6.7	3.2%
Operating expenditure (\$m)	(149.9)	(155.7)	(5.8)	(3.9%)
EBITDA (\$m)	66.3	67.0	0.7	1.1%
UNPAT (\$m)	45.9	50.1	4.2	9.2%
Average AUM (\$b)	160.5	163.6	3.1	1.9%
GM (%)	0.13%	0.13%	-%	-%
NOM (%)	0.04%	0.04%	-%	-%
AUM (Close) (\$b)	157.6	175.2	17.6	11.2%
Net Flows (\$m)	(6,298)	(2,088)	4,210	66.8%

### Corporate and Other - P&L

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	%								
Gross Margin										
Management and Service fees revenue	-	-	=	-	-	0.0	-	0.0	0.0	n/a
Other Fee Revenue	0.2	0.2	0.4	0.5	0.6	0.6	0.9	1.2	0.3	31.4%
Service and Marketing fees expense	0.2	0.2	=	-	-	=	-	-	-	n/a
Other Direct Costs	=	-	-	-	-	(0.1)	=	(0.1)	(0.1)	n/a
Amortisation of deferred acquisition costs	=	-	-	-	-	-	=	-	-	n/a
Total Gross Margin	0.4	0.4	0.4	0.5	0.6	0.5	0.9	1.1	0.2	20.9%
Other Revenue	0.8	0.8	1.3	1.1	0.4	0.5	2.4	0.8	(1.6)	(65.2%)
Equity Accounted Profits	-	-	=	-	-	=	-	-	-	n/a
Operating Expenditure incl Corporate Recharge	(19.5)	(19.2)	(21.0)	(20.4)	(21.5)	(25.4)	(41.4)	(46.9)	(5.5)	(13.3%)
Segment EBITDA	(18.2)	(18.0)	(19.4)	(18.7)	(20.5)	(24.5)	(38.1)	(45.0)	(6.9)	(18.1%)

# Discontinued Operations - Corporate Trust - P&L Divested November 2018

Divested November 2018	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Gross Margin										
Management and Service fees revenue	4.0	1.9	-	-	-	-	-	=	=	n/a
Other Fee Revenue	0.4	0.0	-	-	-	=	-	=	=	n/a
Service and Marketing fees expense	=	-	-	-	-	-	-	=	=	n/a
Other Direct Costs	(2.8)	(1.9)	-	-	-	-	-	=	=	n/a
Amortisation of deferred acquisition costs	=	=	-	-	-	=	-	=	=	n/a
Total Gross Margin	1.5	0.0	-	-	-	-	-	-	-	n/a
Other Revenue	-	-	_	_	-	-	-	-	-	n/a
Equity Accounted Profits	-	-	-	-	-	-	-	-	-	n/a
Operating Expenditure incl Corporate Recharge	(1.7)	(0.1)	-	-	-	-	-	-	-	n/a
Segment EBITDA	(0.2)	(0.1)	-	-	-	-		-	-	n/a

### Discontinued Operations - IOOF NZ - P&L

Divested April 2020

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m	2H21 \$m	FY20 \$m	FY21 \$m	FY20 v \$m	⁄ FY21 %
Gross Margin	φιιι	ψΠ	70							
Management and Service fees revenue	2.3	2.3	2.3	1.2	-	_	3.5	_	(3.5)	(100.0%)
Other Fee Revenue	-	-	-	-	-	-	-	-	` - ´	` n/a
Service and Marketing fees expense	(0.9)	(1.3)	(1.4)	(0.7)	-	-	(2.1)	-	2.1	100.0%
Other Direct Costs	(0.0)	` -	(0.0)	(0.0)	-	-	(0.0)	-	0.0	100.0%
Amortisation of deferred acquisition costs	` -	-	` -	` -	-	-	` -	-	-	n/a
Total Gross Margin	1.4	1.0	0.9	0.4	-	-	1.4	-	(1.4)	(100.0%)
Other Revenue	(0.1)	(0.1)	(0.1)	(0.0)	_	-	(0.1)	-	0.1	100.0%
Equity Accounted Profits	` -	` - ´	` -	` -	-	-	` -	-	-	n/a
Operating Expenditure incl Corporate Recharge	(0.7)	(0.7)	(0.6)	(0.4)	-	-	(1.0)	-	1.0	100.0%
Segment EBITDA	0.7	0.2	0.3	(0.1)	-	•	0.3	-	(0.3)	(100.0%)

# Discontinued Operations - Ord Minnett - P&L Divested September 2019

Divested September 2019										
	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	FY21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Gross Margin										
Management and Service fees revenue	32.6	32.8	17.7	-	-	-	17.7	-	(17.7)	(100.0%)
Other Fee Revenue	-	-	-	-	-	-	-	-	-	n/a
Service and Marketing fees expense	(17.4)	(17.6)	(9.6)	-	-	-	(9.6)	-	9.6	100.0%
Other Direct Costs	(0.2)	0.1	(0.0)	-	-	-	(0.0)	-	0.0	100.0%
Amortisation of deferred acquisition costs	-	-	-	-	-	-	-	-	-	n/a
Total Gross Margin	15.0	15.2	8.1	-	-	-	8.1	-	(8.1)	(100.0%)
Other Revenue	17.4	20.4	11.3	-	-	-	11.3	-	(11.3)	(100.0%)
Equity Accounted Profits	-	-	-	-	-	_	-	-	-	n/a
Operating Expenditure incl Corporate Recharge	(19.2)	(21.9)	(10.5)	-	-	-	(10.5)	-	10.5	100.0%
Segment EBITDA	13.1	13.6	8.8	-	-	-	8.8	-	(8.8)	(100.0%)

### Discontinued Operations - Perennial Value Management - P&L

Divested October 2019										
	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21	FY20 v	/ FY21
	\$m	%								
Gross Margin										
Management and Service fees revenue	-	-	-	-	-	-	-	-	-	n/a
Other Fee Revenue	-	-	-	-	-	-	-	-	-	n/a
Service and Marketing fees expense	-	-	-	-	-	-	-	-	-	n/a
Other Direct Costs	-	-	-	-	-	-	-	-	-	n/a
Amortisation of deferred acquisition costs	=	=	-	=	-	-	-	=	-	n/a
Total Gross Margin	-	-	-	-	-	-	-	-	-	n/a
Other Revenue	-	-	-	-	_	-	-	-	_	n/a
Equity Accounted Profits	0.4	0.5	1.0	-	-	-	1.0	-	(1.0)	(100.0%)
Operating Expenditure incl Corporate Recharge	-	-	-	-	-	-	-	-	` -	n/a
Segment EBITDA	0.4	0.5	1.0	-	-	-	1.0	-	(1.0)	(100.0%)

#### FUMA - Group (Continuing Operations)

Historical period restatements shown in italics - restatements relate to removal of FUAdvice as a business metric

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	61,169	62,127	60,194	63,534	66,015	67,595	68,490	125,507	131,762	132,031	137,095	139,146
Acquired FUMA	=	-	=	=	-	-	77,140	=	-	-	-	296,258
Net Flow	161	224	54	391	244	222	(532)	164	(247)	(2,753)	(1,022)	(26)
Pensions	(210)	(205)	(208)	(246)	(231)	(229)	(386)	(450)	(360)	(353)	(351)	(519)
Market/Other	1,007	(3,161)	3,494	2,336	1,567	902	(19,205)	7,790	1,919	8,302	3,425	11,896
Reclass from Funds Under Supervision	-	1,209	-	=	-	-	-	-	-	-	-	-
Early Release of Super	=	-	=	=	-	-	=	(1,249)	(1,042)	(132)	-	=
OnePath Trusts	=	-	=	=	-	-	=	=	-	-	-	6,604
Closing Balance	62,127	60,194	63,534	66,015	67,595	68,490	125,507	131,762	132,031	137,095	139,146	453,359

#### FUMA - Portfolio and Estate Administration

	1Q19 \$m	2Q19 \$m	3Q19 \$m	4Q19 \$m	1Q20 \$m	2Q20 \$m	3Q20 \$m	4Q20 \$m	1Q21 \$m	2Q21 \$m	3Q21 \$m	4Q21 \$m
Opening Balance	39,140	39,824	38,943	41,224	43,127	44,174	44,882	39,498	41,989	42,319	44,832	46,017
Net Flow	294	411	183	572	410	367	190	398	226	40	267	606
Pensions	(210)	(205)	(208)	(246)	(231)	(229)	(229)	(238)	(191)	(190)	(191)	(217)
Market/Other	600	(2,296)	2,306	1,577	868	570	(5,345)	2,500	454	2,684	1,110	2,008
Reclass from Funds Under Supervision	-	1,209	-	=	=	=	-	=	-	-	=	-
Early Release of Super	-	-	-	-	-	-	-	(170)	(158)	(21)	-	-
Closing Balance	39,824	38,943	41,224	43,127	44,174	44,882	39,498	41,989	42,319	44,832	46,017	48,414

### **FUMA - Investment Management**

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
	\$m	\$m	\$m	\$m	\$m	\$m						
Opening Balance	22,029	22,302	21,250	22,309	22,886	23,420	23,607	21,097	22,386	22,644	21,848	22,136
Net Flow	(134)	(186)	(129)	(181)	(166)	(145)	(81)	(51)	(62)	(2,168)	(507)	90
Market/Other	406	(865)	1,188	759	700	332	(2,429)	1,340	321	1,372	795	1,282
Closing Balance	22,302	21,250	22,309	22,886	23,420	23,607	21,097	22,386	22,644	21,848	22,136	23,509

#### FUMA - Ex-ANZ Pensions and Investments - Platform

	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	-	41,608	43,268	42,986	44,914	45,183
Acquired FUMA	49,112	-	-	-	-	-
Net Flow	(421)	(233)	(385)	(542)	(611)	(600)
Pensions	(139)	(211)	(170)	(163)	(160)	(176)
Market/Other	(6,943)	2,676	733	2,691	1,040	2,203
Early Release of Super	_	(573)	(461)	(59)	-	<u> </u>
Closing Balance	41,608	43,268	42,986	44,914	45,183	46,610

### FUMA - Ex-ANZ Pensions and Investments - Investment Management

	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	<del>-</del>	23,303	24,121	24,082	25,501	25,810
Acquired FUMA	28,028	-	-	-	-	-
Net Flow	(220)	50	(26)	(83)	(171)	(296)
Pensions	(18)	-	-	-	-	-
Market/Other	(4,488)	1,274	410	1,554	480	1,547
Early Release of Super	-	(506)	(423)	(53)	-	-
OnePath Trusts		-	-	-	-	6,604
Closing Balance	23,303	24,121	24,082	25,501	25,810	33,665
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### FUMA - MLC Retirement & Investment Solutions

	\$m
Opening Balance	<del>-</del>
Acquired FUMA	123,559
Net Flow	86
Pensions	- 126
Market/Other	2,470
Closing Balance	125,989

4Q21

### **FUMA - MLC Asset Management**

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 Opening Balance

 Acquired FUMA
 172,699

 Net Flow
 87

 Market/Other
 2,385

 Closing Balance
 175,171

4Q21

### FUMA - Discontinued Operations - IOOF NZ

	1Q19 \$m	2Q19 \$m	3Q19 \$m	4Q19 \$m	1Q20 \$m	2Q20 \$m	3Q20 \$m	4Q20 \$m
Opening Balance	619	630	589	617	620	613	623	553
Net Flow	(9)	(7)	-	(11)	(14)	(8)	(11)	-
Market/Other	20	(34)	28	14	7	18	(59)	-
Divested FUMA	=	-	-	-	-	-	-	(553)
Closing Balance	630	589	617	620	613	623	553	-

### Remediation - Advice

_	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m	2H21 \$m
Opening Balance	-	168.1	392.0	376.5	432.7	409.5
Provisions acquired	168.1	-	=	-	-	=
Provisions made/(reversed)	-	238.4	-	80.4	13.7	44.4
Provisions utilised						
Payments made	-	(4.5)	(6.1)	(8.3)	(23.2)	(62.0)
Program costs	-	(10.0)	(9.4)	(15.9)	(13.6)	(14.7)
Closing Balance	168.1	392.0	376.5	432.7	409.5	377.2

### Remediation - Product

	2H20 \$m	1H21 \$m	2H21 \$m
Opening Balance	-	174.7	165.7
Provisions acquired	180.0	=	164.5
Provisions made/(reversed)	(1.2)	1.1	11.5
Provisions utilised			
Payments made	(1.8)	(5.4)	(53.8)
Program costs	(2.3)	(4.7)	(6.2)
Closing Balance	174.7	165.7	281.7

### Statutory NPAT reconciliation

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m	2H21 \$m
Profit/(Loss) attributable to Owners of the Company	135.4	(106.9)	115.0	32.0	54.4	(197.9)
Discontinued operations	(65.9)	7.5	(87.2)	(1.0)	-	•
Profit/(Loss) from continuing operations attributable to Owners of the Company	69.6	(99.4)	27.8	31.0	54.4	(197.9)
Underlying net profit after tax pre-amortisation (UNPAT) adjustments:						
Amortisation of intangible assets	19.0	18.7	18.3	18.5	28.2	30.7
Unwind of deferred tax liability recorded on intangible assets	(5.0)	(4.9)	(4.9)	(4.9)	(7.7)	(7.7)
Transformation and integration costs	4.6	8.7	4.2	15.4	21.8	28.4
BT settlement income	-	-	-	-	(59.2)	0.4
Legal provision	-	-	-	-	22.0	2.3
Advice 2.0 costs	-	_	_	_	0.7	0.6
Evolve costs	4.1	6.3	5.2	6.2	6.4	6.2
Termination payments	0.3	1.8	2.7	0.2	0.1	1.0
Non-recurring professional fees paid	0.2	1.8	4.4	2.0	3.8	6.2
Impairment of goodwill and investment	-	_	_	4.3	-	199.9
Remediation costs	3.8	231.5	1.5	-	-	28.2
Governance uplift costs	-	_	3.2	1.3	0.7	0.5
Unrealised loss on revaluation of embedded derivative	-	_	_	_	-	5.0
Other	(0.3)	0.8	0.4	(0.5)	(1.4)	(1.1)
Income tax attributable	(3.7)	(74.5)	(6.4)	(5.9)	(4.0)	(20.7)
UNPAT from continuing operations	92.5	90.8	56.5	67.6	65.9	81.9
UNPAT from discontinued operations	7.4	7.3	4.9	(0.1)	-	-
UNPAT	99.9	98.1	61.4	67.5	65.9	81.9

## Corporate Balance Sheet Excludes balances relating to the statutory benefit funds

Assets         11128         91.7         65.3         371.0         896.0         666.1           Cash         112.8         91.7         65.3         371.0         896.0         666.1           Certificates of deposit         -         -         -         -         100.0         -           Receivables         291.4         289.6         342.4         547.4         603.2         625.0           Debt note         800.0         800.0         800.0         -         -         -         -           Other financial assets         54.9         56.7         90.9         147.5         18.7         274.7           Current tax assets         -         3.9         47.7         23.6         5.7         1.8           Prepayments         15.6         15.3         11.0         16.3         12.0         20.0           Deferred acquisition costs         1.4         1.2         1.2         1.0         1.0         0.8           Net defined benefit asset         -         -         -         -         -         -         1.7         27.1         1.3         1.1         1.2         1.2         1.2         1.2         1.2         1.2         1
Cash       112.8       91.7       65.3       371.0       896.0       666.1         Certificates of deposit       -       -       -       -       100.0       -         Receivables       291.4       289.6       342.4       547.4       603.2       625.0         Debt note       800.0       800.0       800.0       -       -       -       -         Other financial assets       54.9       56.7       90.9       147.5       18.7       274.7         Current tax assets       -       3.9       47.7       23.6       5.7       1.8         Prepayments       15.6       15.3       11.0       16.3       12.0       20.0         Deferred acquisition costs       1.4       1.2       1.2       1.0       1.0       0.8         Net defined benefit asset       -       -       -       -       -       -       17.2         Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       1
Certificates of deposit       -       -       -       -       100.0       -         Receivables       291.4       289.6       342.4       547.4       603.2       625.0         Debt note       800.0       800.0       800.0       -       -       -         Other financial assets       54.9       56.7       90.9       147.5       18.7       274.7         Current tax assets       -       3.9       47.7       23.6       5.7       1.8         Prepayments       15.6       15.3       11.0       16.3       12.0       20.0         Deferred acquisition costs       1.4       1.2       1.2       1.0       1.0       0.8         Net defined benefit asset       -       -       -       -       -       -       17.2         Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505
Receivables       291.4       289.6       342.4       547.4       603.2       625.0         Debt note       800.0       800.0       800.0       -       -       -         Other financial assets       54.9       56.7       90.9       147.5       18.7       274.7         Current tax assets       -       3.9       47.7       23.6       5.7       1.8         Prepayments       15.6       15.3       11.0       16.3       12.0       20.0         Deferred acquisition costs       1.4       1.2       1.2       1.0       1.0       0.8         Net defined benefit asset       -       -       -       -       -       17.2         Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Debt note       800.0       800.0       800.0       -
Other financial assets       54.9       56.7       90.9       147.5       18.7       274.7         Current tax assets       -       3.9       47.7       23.6       5.7       1.8         Prepayments       15.6       15.3       11.0       16.3       12.0       20.0         Deferred acquisition costs       1.4       1.2       1.2       1.0       1.0       0.8         Net defined benefit asset       -       -       -       -       -       -       17.2         Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Current tax assets       -       3.9       47.7       23.6       5.7       1.8         Prepayments       15.6       15.3       11.0       16.3       12.0       20.0         Deferred acquisition costs       1.4       1.2       1.2       1.0       1.0       0.8         Net defined benefit asset       -       -       -       -       -       -       17.2         Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Prepayments       15.6       15.3       11.0       16.3       12.0       20.0         Deferred acquisition costs       1.4       1.2       1.2       1.0       1.0       0.8         Net defined benefit asset       -       -       -       -       -       -       17.2         Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Deferred acquisition costs       1.4       1.2       1.2       1.0       1.0       0.8         Net defined benefit asset       -       -       -       -       -       17.2         Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Net defined benefit asset       -       -       -       -       -       -       17.2         Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Associates       24.5       21.5       16.4       12.9       12.1       37.6         Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Property and equipment       39.3       36.0       115.9       134.4       124.0       145.8         Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Deferred tax assets       -       2.7       -       -       28.7       142.8         Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Intangible assets       392.3       364.7       352.2       525.1       498.6       505.5         Goodwill       946.3       936.9       937.3       1,465.4       1,506.3       2,137.9
Goodwill 946.3 936.9 937.3 1,465.4 1,506.3 2,137.9
2,678.6 2,620.2 2,780.4 3,244.5 3,806.3 4,575.2
Assets classified as held for sale - 52.5
Total assets 2,678.6 2,672.7 2,780.4 3,244.5 3,806.3 4,575.2
Liabilities
Payables 73.2 86.4 75.9 118.8 115.1 232.9
Other financial liabilities         3.0         15.3         32.4         54.8         95.5         174.3
Borrowings and lease liabilities 416.7 426.5 447.5 572.3 102.6 773.5
Current tax liabilities 11.4
Provisions 231.7 453.3 487.4 733.1 729.1 901.5
Deferred tax liabilities 80.5 - 8.2 27.0
Deferred revenue liability 1.3 1.1 1.1 0.9 0.9 0.9
Lease incentives         5.9         5.8         -
<u>823.7 988.4 1,052.5 1,506.9 1,043.3 2,083.1</u>
Liabilities directly associated with assets classified as held for sale 27.4
Total liabilities <u>823.7 1,015.8 1,052.5 1,506.9 1,043.3 2,083.1</u>
Net assets 1,854.9 1,656.9 1,727.8 1,737.6 2,763.0 2,492.1
Equity
Share capital 1,966.9 1,963.1 1,965.4 1,965.8 2,996.0 2,996.0
Reserves 23.3 25.2 52.7 91.3 2.6 3.8
Accumulated losses (142.9) (339.1) (289.6) (319.3) (235.4) (507.5)
Total equity attributable to equity holders of the Company 1,847.3 1,649.2 1,728.4 1,737.8 2,763.3 2,492.3
Non-controlling interest 7.6 7.7 (0.6) (0.2) (0.3) (0.2)
Total equity 1,854.9 1,656.9 1,727.8 1,737.6 2,763.0 2,492.1

### **Statement of Cash Flows**

Excludes cash flows relating to the statutory benefit funds						
,	1H19	2H19	1H20	2H20	1H21	2H21
	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operating activities						
Receipts from customers	561.9	647.8	600.0	722.7	679.0	727.1
Non-recurring BT settlement fee	-	-	-	_	_	80.0
Payments to suppliers and employees	(442.4)	(538.8)	(530.0)	(594.2)	(589.1)	(550.8)
Transformation and integration costs	(8.7)	(9.8)	(7.4)	(19.2)	(27.9)	(18.0)
Dividends from associates	0.2	0.2	0.1	0.2	0.1	` 0.1
Net legal settlements	(8.5)	(2.4)	0.9	(3.2)	_	(21.5)
Remediation costs	(3.8)	(0.3)	(9.6)	(6.3)	(23.6)	(79.5)
Coupon interest received on debt note	18.9	49.0	8.1	1.3	` -	` -
Income taxes paid	(54.3)	(57.0)	(38.7)	(4.0)	(35.5)	(3.5)
Net cash flows from operating activities	63.5	88.7	23.5	97.3	3.0	133.9
Cash flows from investing activities						_
Dividends and distributions received	0.7	0.6	0.8	0.7	0.2	0.2
Interest received	5.2	4.2	1.2	3.2	1.7	1.8
Interest and other costs of finance paid	(8.7)	(7.7)	(5.6)	(4.5)	(3.8)	(3.6)
Proceeds from divestment of/(payments for) financial assets	(1.8)	0.3	(2.1)	86.6	100.7	1.5
Redemption/(purchase) of debt note	(800.0)	-	` - '	800.0	-	-
Net proceeds on divestment of subsidiaries	41.0	0.3	90.0	3.0	-	-
Acquisition of subsidiary, net of cash acquired	(5.8)	(2.3)	-	(678.8)	15.1	(872.3)
Net proceeds from/(payment for) financial instruments	407.4	-	-	-	(100.0)	128.7
Receipt of deferred purchase consideration	-	0.4	-	_	-	-
Net proceeds from/(payment for) swaps	-	-	-	(30.2)	-	-
Payments for property and equipment	(22.7)	(3.5)	(3.2)	(5.0)	(3.0)	(6.3)
Payments for intangible assets	(3.2)	(0.6)	(5.4)	(7.7)	(1.8)	(5.3)
Repayment of loan principal (related parties)	-	0.0	7.3	-	-	-
Net cash flows from investing activities	(387.9)	(8.3)	83.0	167.4	9.1	(755.3)
Cash flows from financing activities		\-\(\cdot\)				
Drawdown of borrowings	610.0	60.0	0.0	115.0	0.0	591.0
Repayment of borrowings	(190.0)	(50.6)	(75.0)	(10.0)	(460.0)	(115.0)
Proceeds from issue of shares	` -	` - ´	` -	-	1,043.9	0.0
Transaction costs of issuing new shares	-	-	-	-	(20.5)	0.1
Purchase of treasury shares	(3.8)	(4.1)	-	-	-	-
Return of capital to non-controlling interest	(1.2)	` - '	-	-	-	-
Repayment of leasing liabilities	-	-	(6.4)	(7.9)	(10.3)	(11.5)
Dividends paid - members of the Company	(94.7)	(89.3)	(66.5)	(56.0)	(40.3)	(74.7)
Dividends paid - non-controlling members of subsidiary entities	(4.5)	(2.4)	(0.0)	(0.0)	(0.0)	0.0
Net cash flows from financing activities	315.8	(86.5)	(147.9)	41.1	512.9	389.9
Net cash flow	(8.6)	(6.2)	(41.4)	305.8	525.0	(231.5)
Opening cash position	121.4	112.8	`91.7	65.3	371.0	896.0
Cash classified in assets held for sale at the beginning of the period	_	_	15.0	_	_	-
Effects of exchange rate changes on cash and cash equivalents	0.0	0.0	0.0	(0.1)	_	1.6
Reclassification to assets held for sale	-	(15.0)	-	-	-	-
Closing cash position	112.8	91.7	65.3	371.0	896.0	666.1
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#### **Cash and Debt Facilities**

Excludes balances relating to the statutory benefit funds						
	1H19	2H19	1H20	2H20	1H21	2H21
Cash and cash equivalents						
Corporate cash (\$m)	112.8	91.7	65.3	225.4	783.1	501.2
Restricted cash (ORFR) (\$m)	-	-	-	145.6	112.8	164.9
Certificates of deposit (\$m)	-	-	-	-	100.0	-
Debt Facilities						
Total debt facilities (\$m) <sup>1</sup>	750.0	750.0	615.0	615.0	865.0	865.0
Drawn senior debt (\$m)	420.0	430.0	355.0	460.0	-	476.0
Senior funding headroom (\$m)	330.0	320.0	260.0	155.0	865.0	389.0
Ratios and other indicators						
Senior net debt (\$m)	307.2	338.3	289.7	234.6	(883.1)	(25.2)
SFA defined senior leverage ratio	1.4 times	1.4 times	0.0 times	1.3 times	0.0 times	0.6 times
Bridge to SFA defined net debt						
Simple senior net debt (above)	307.2	338.3	289.7	234.6	(883.1)	(25.2)
Debt note	-	_	(800.0)	_	· - ′	` -
Excl non-guarantor cash	13.0	9.7	` 5.9	73.4	6.8	169.8
Add bank guarantees	42.6	65.7	46.7	54.7	54.7	33.3
Add deferred asset purchase consideration greater than 90 days	-	-	2.6	5.6	25.3	23.1
Other SFA adjustments	10.1	3.1	2.8	2.8	2.8	2.8
SFA defined senior net debt	372.8	416.8	n/a	371.3	n/a	203.8

<sup>&</sup>lt;sup>1</sup>Revolving cash advance facilities only, excludes multi-option facility

### **Segment Asset Allocations**

	1H19	2H19	1H20	2H20	1H21	2H21
Portfolio and Estate Administration						
Australian Equities	35%	32%	32%	30%	32%	32%
Fixed Interest/Cash	34%	33%	32%	32%	34%	32%
International Equities	20%	23%	24%	23%	21%	22%
Property	6%	7%	7%	9%	6%	7%
Other	5%	6%	6%	4%	6%	6%
Investment Management						
Australian Equities	26%	27%	27%	21%	24%	25%
Fixed Interest/Cash	40%	39%	38%	41%	33%	30%
International Equities	22%	22%	23%	22%	25%	26%
Property	10%	9%	10%	10%	11%	12%
Other	2%	4%	2%	5%	6%	6%
Ex-ANZ Pensions and Investments - Platform						
Australian Equities				29%	30%	31%
International Equities				28%	29%	32%
Australian Fixed Interest				10%	10%	8%
International Fixed Interest				10%	10%	8%
Property				7%	7%	7%
Cash				13%	11%	10%
Other				3%	3%	4%
Ex-ANZ Pensions and Investments - Investment Management						
Australian Equities				26%	27%	28%
International Equities				29%	30%	34%
Australian Fixed Interest				15%	14%	10%
International Fixed Interest				9%	8%	9%
Property				10%	10%	8%
Cash				8%	6%	6%
Other				4%	4%	5%
MLC Retirement & Investment Solutions				.,,	.,,	-,-
Australian Equities						31%
International Equities						32%
Australian Fixed Interest						8%
International Fixed Interest						7%
Property						9%
Cash						11%
Other						3%
MLC Asset Management						0,70
Australian Equities						22%
International Equities						27%
Australian Fixed Interest						24%
International Fixed Interest						6%
Property						9%
Cash						4%
Other						9%

### **Ratio Calculations**

	1H19	2H19	1H20	2H20	1H21	2H21	FY20	FY21
Earnings								
UNPAT (\$m)	99.9	98.1	61.4	67.5	65.9	81.9	128.8	147.8
UNPAT (continuing operations) (\$m)	92.5	90.8	56.5	67.5	65.9	81.9	124.0	147.8
Statutory NPAT (\$m)	135.4	(106.9)	115.0	26.2	54.4	(198.0)	141.2	(143.5)
Statutory NPAT (continuing operations) (\$m)	69.6	(99.4)	27.8	25.2	54.4	(198.0)	53.0	(143.5)
Shares								
Weighted average shares on issue	351,076,027	351,076,027	351,076,027	351,076,027	531,842,426	649,324,356	351,076,027	590,100,589
Weighted average treasury shares on issue	386,749	856,831	1,014,460	892,726	792,719	792,719	953,926	792,719
Weighted average performance rights	880,118	1,084,188	690,739	878,318	840,589	1,799,507	784,016	1,313,195
EPS								
UNPAT EPS (cents per share)	28.5	28.0	17.5	19.3	12.4	12.6	36.8	25.1
UNPAT EPS (continuing operations) (cents per share)	26.4	25.9	16.1	19.3	12.4	12.6	35.4	25.1
Basic EPS (cents per share)	38.6	(30.5)	32.8	7.5	10.2	(30.5)	40.3	(24.4)
Diluted EPS (cents per share)	38.5	(30.4)	32.8	7.5	10.2	(30.4)	40.2	(24.3)
Basic EPS (continuing operations) (cents per share)	19.9	(28.4)	7.9	7.2	10.2	(30.5)	15.1	(24.4)
Cost to income								
Gross margin	254.1	242.7	248.3	329.3	349.3	413.4	577.6	762.7
Add back amortisation of deferred acquisition costs	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.2
Other revenue	6.6	8.6	6.0	5.4	2.0	6.1	11.3	8.1
ANZ coupon interest	28.7	43.3	8.1	2.2	=	-	10.3	=
Operating expenditure	(149.3)	(157.6)	(163.7)	(220.7)	(239.8)	(286.8)	(384.4)	(526.5)
Cost to income	51.6%	53.5%	62.4%	65.5%	68.2%	68.4%	64.1%	68.3%
Return on equity								
Average equity (\$m)	1,821.6	1,819.7	1,693.0	1,725.4	2,308.5	2,728.0	1,707.8	2,497.2
Days in period	184	181	184	182	184	181		
Days in year	365	365	366	366	365	365		
Return on equity	10.9%	10.9%	7.2%	7.9%	5.7%	6.1%	7.5%	5.9%

### Shares on issue

	From	То	Days
351,076,027	1/07/2018	31/12/2018	184
351,076,027	1/01/2019	30/06/2019	181
351,076,027	1/07/2019	31/12/2019	184
351,076,027	1/01/2020	30/06/2020	182
351,076,027	1/07/2020	6/09/2020	68
560,345,476	7/09/2020	21/09/2020	15
648,218,885	22/09/2020	22/09/2020	1
649,324,356	23/09/2020	31/12/2020	100
649,324,356	1/01/2021	30/06/2021	181



Creating financial independence since 1846

# Investor and analyst book

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### Disclaimer

#### Important information

This report has been prepared by IOOF Holdings ABN 49 100 103 722 (IOOF). It is general information on IOOF and its subsidiaries (IOOF Group) current as at 26 August 2021.

It is in summary form and is not necessarily complete. It should be read together with the company's consolidated financial statements lodged with the ASX on 26 August 2021. Information and statements in this presentation do not constitute investment advice or a recommendation in relation to IOOF or any product or service offered by IOOF or any of its subsidiaries and should not be relied upon for this purpose. Prior to making a decision in relation to IOOF's securities, products or services, investors or clients and potential investors or clients should consider their own investment objectives, financial situation and needs and obtain professional advice.

The information in this presentation may include information contributed by third parties. The IOOF Group does not warrant the accuracy or completeness of any information contributed by a third party. No representation or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation (any of which may change without notice). To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this presentation. Past performance is not indicative of future performance.

This presentation contains forward looking statements, including statements regarding IOOF's intent, objective, belief or current expectation relating to IOOF's businesses and operations, market conditions or results of operations and financial condition, including any statements related to or affected by the ongoing impact of the COVID-19 pandemic and remediation programs. These are based on IOOF's current expectations about future events and is subject to known and unknown risks and uncertainties, many of which are beyond the control of the IOOF Group. Actual events may differ materially from those contemplated in such forward-looking statements and could cause actual results, performance or events to differ materially from those express or implied. Forward looking statements are not guarantees or representations about future performance and should not be relied upon as such.

IOOF does not undertake to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to its regulatory and disclosure requirements.

Underlying net profit after tax pre amortisation (UNPAT) attributable to equity holders of IOOF reflect an assessment of the result for the ongoing business of the IOOF Group as determined by the Board and management. UNPAT has been calculated with regard to ASIC's Regulatory Guide 230 Disclosing non-IFRS financial information and the adjustments to NPAT are set out on pages 6 and 7 of the 30 June 2021 Annual Financial Report. UNPAT attributable to equity holders of IOOF has not been reviewed or audited by the Group's external auditors, however the adjustments to NPAT attributable to equity holders of IOOF have been extracted from the books and records that have been reviewed by the external auditor. UNPAT is disclosed as it is useful for investors to gain a better understanding of IOOF's financial results from normal operating activities.

Nothing in this presentation should be construed as either an offer to sell or solicitation of an offer to buy or sell IOOF securities or units in any fund referred to in this presentation in any jurisdiction. The Product Disclosure Statement (PDS) for these funds are issued by members of the IOOF Group. The applicable PDS should be considered before deciding whether to acquire or hold units in a fund and can be obtained by calling 1800 913 118 or visiting our website www.ioof.com.au

All references to currency in this presentation are to Australian currency, unless otherwise stated. Certain figures may be subject to rounding differences.

### Contact details

#### **Investor Relations**

Mobile 0403 125 014

Email <u>investorrelations@ioof.com.au</u>

IOOF Shareholder website https://www.ioof.com.au/shareholders

IOOF ASX announcements <a href="https://www.ioof.com.au/shareholders/asx-announcements">https://www.ioof.com.au/shareholders/asx-announcements</a>

### Key people

### **IOOF Leadership Team**

Renato Mota Chief Executive Officer

David Chalmers Chief Financial Officer

Adrianna Bisogni Group Company Secretary

Lawrence Hastings Chief Legal Officer

Sharam Hekmat Chief Information Officer

Sawsan Howard Chief Corporate Affairs and Marketing Officer

Frank Lombardo Chief Operating Officer

Garry Mulcahy Chief Asset Management Officer

Mark Oliver Chief Distribution Officer

Lorna Stewart Chief Risk Officer

Mel Walls Chief People Officer

Chris Weldon Chief Transformation Officer

Darren Whereat Chief Advice Officer

Profiles for each member of the leadership team can be found at <a href="https://www.ioof.com.au/about-us/about-ioof/our-people">https://www.ioof.com.au/about-us/about-ioof/our-people</a>

#### **IOOF Holdings Board of Directors**

Allan Griffiths Chairman, Independent Non-Executive Director

Renato Mota Chief Executive Officer

Andrew Bloore Independent Non-Executive Director
Elizabeth Flynn Independent Non-Executive Director
John Selak Independent Non-Executive Director
Michelle Somerville Independent Non-Executive Director

Profiles for each member of the Board can be found at <a href="https://www.ioof.com.au/about-us/about-ioof/our-people/board-of-directors">https://www.ioof.com.au/about-us/about-ioof/our-people/board-of-directors</a>

### Key Management Personnel remuneration details

The 2021 Remuneration Report can be found on page 23 of the 30 June 2021 Annual Financial Report at https://www.ioof.com.au/shareholders/reports

### 2021/22 Key dates

2H21 Dividend record date 8 September 2021
2H21 Dividend payment date 22 September 2021
1Q22 FUMA/Business update 28 October 2021
Annual General Meeting 25 November 2021

The above dates may be altered should circumstances change. Latest key dates will be updated at <a href="https://www.ioof.com.au/shareholders/key-dates">https://www.ioof.com.au/shareholders/key-dates</a>

### IOOF purpose, strategic initiatives and principles

#### Purpose

IOOF has a 170-year history of helping Australians secure their financial future and has a strategy to be Australia's leading advice-led wealth management business.

We have defined our purpose from our client's perspective:

#### understand me, look after me, secure my future.

- Understand me: is about asking the right questions to uncover what matters to our members;
- . Look after me: is about delivering what we say we will, when we say we will; and
- Secure my future: by understanding and delivering what really matters, we help people secure their financial future.

IOOF developed this purpose through a review of real conversations that have taken place between our people and our Clients.

#### **Principles**

IOOF's purpose is supported by IOOF's principles:

- Be human we treat those around us the way we'd like to be treated open, honestly and respectfully;
- Deliver what matters we make sure we understand what matters to every client, and we make it happen;
- Stronger together only by working together can we truly service our clients;
- Keep it simple we remove complexity; and
- Do what's right, not what's easy we back ourselves to make the right call. We speak up.

#### Strategic initiatives

IOOF's strategic goal is to be Australia's leading advice-led wealth manager. IOOF believes that the lives of Australians are substantially improved through advice and that our purpose comes to life through the realisation of our strategy.

IOOF firmly believes that value is created by linking together components of the complex financial services value chain to the benefit of Clients, focusing on the network effect of advice:

- IOOF strongly believes in the value of quality financial advice for Australians, in helping them achieve their life goals;
- IOOF's strategy is designed to serve our Clients and deliver to our Purpose we support our Clients to help them
  achieve their goals through:
  - o IOOF's ClientFirst philosophy;
  - Delivering scalable governance, systems and processes simplification is key to releasing value of scale;
  - o IOOF's open architecture approach this means offering clients choice; and
  - Reinvention of advice to ensure sustainability of advice models and offer Australians greater access to advice.



### IOOF and its key business segments

### Basis of preparation

This report covers the IOOF Holdings Limited Corporate Group of businesses only (IOOF). A subsidiary of IOOF, IOOF Ltd, is a friendly society in accordance with the Life Insurance Act 1995. The funds operated by IOOF Ltd, and any trusts controlled by those funds, are treated as statutory funds in accordance with the Life Insurance Act 1995. These statutory funds are required to be consolidated in the financial statements in accordance with accounting standards. These are excluded for the purposes of this report.

#### **About IOOF**

IOOF is one of the largest financial services groups in Australia. IOOF is an ASX top 200 company with more than \$450 billion in funds under management and administration and advice service relationships with almost 2,000 financial advisers as at 30 June 2021

IOOF is one of Australia's leading advice-led wealth managers and providers of wealth creation products and services. Various subsidiary entities within the IOOF group specialise in the provision of portfolio and estate administration services, investment management and the provision of financial advice, including the financial advice practice support services that enable that advice.

IOOF currently reports its financial results in seven business segments:

- 1 Financial Advice
- 2 Ex-ANZ Aligned Licensees (ALs)

Together, the two operating segments comprise the Financial Advice Business Line

- 3 Portfolio & Estate Administration
- 4 Investment Management
- 5 Ex-ANZ Pensions & Investments (P&I)
- 6 MLC Wealth
- 7 Corporate and Other

As we integrate the P&I and MLC businesses, we expect to report in four main segments from FY22;

- 1 Financial Advice
- 2 Portfolio & Estate Administration
- 3 Asset Management
- 4 Corporate and Other

#### Financial Advice

The Financial Advice Segment reports the financial economics of a number of different advice channels.

The Financial Advice segment currently has four key components;

- Professional Services wholly IOOF owned and operated advice network
- Self-employed Advice Advisers operating their own advice businesses under IOOF licence
- Self-licensed Advice Advisers operating their own advice business with a non-IOOF license who utilise certain services from IOOF
- Open architecture offering choice through the distribution of third-party platform offerings to advisers
- Other includes revenue from advising on general insurance and Shadforth Business Advisory Services

From 1 June 2021, all MLC employed and MLC-licensed self-employed advisers were transitioned to IOOF licenses and as a result are reported as part of the Financial Advice segment. Integration of the ex-ANZ ALs is substantially complete, hence this section covers both the Financial Advice and ex-ANZ AL financial segments – together, the Financial Advice business line.

#### Composition of advisers by channel

	Professional Services	Self-employed	Self-licensed	Total
Jun-20	181	1,098	366	1,645
Jun-21	306	1,047	622	1,975

#### Ex-MLC advisers by channel

	Professional Services	Self-employed	Self-licensed	Total
Jun-21	150	256	167	656

Professional Services are wholly IOOF owned and operated and include the following advice brands:

- Shadforth Financial Group Employed Advisers servicing High Net Worth clients
- Bridges Financial Group Since the announcement of Advice 2.0 on 31 August 2020, Bridges continues its transition to a wholly-employed network. In April 2021 it launched the 'Bridges Way' to employed advisers which introduces a single, best-practice approach that will deliver consistency in our client interactions across the country. More detail on Advice 2.0 is included in the Key Strategic Initiatives section.
- MLC Advice Employed Advisers now operating under the Bridges Financial Services AFSL.

Material gross margin drivers	•	Advisers charge a largely fixed advice fee. IOOF retains 100% of the advice fee as revenue
Material cost drivers	•	Employed advisers are paid a salary plus discretionary bonus
	•	Support services for advisers; Technology, Business support, Compliance, research and marketing
Profitability target	•	Target EBIT margin of 30%+

**Self-employed advisers** own their own businesses and include the following advice brands: Consultum, Lonsdale, M3, RI Advice, Godfrey Pembroke and TenFifty, which operates as a business to business Advice brand for a cohort of MLC advisers authorised under the Consultum licence.

Material gross margin drivers	<ul> <li>Advisers charge a combination of variable and / or fixed advice fee. IOOF colle 100% of the gross advice fees as revenue</li> </ul>	cts
	<ul> <li>Direct costs include the portion of advice fees remitted to advisers as per the licer agreement with IOOF</li> </ul>	тсе
Material cost drivers	Support services for advisers; Technology, Business support, Compliance, Resea and Marketing	rch
Profitability target	<ul> <li>Target UNPAT to breakeven on a run-rate basis by the end of FY22 for the ex-A ALs (Consultum and Lonsdale already breakeven). Target MLC businesses UNP to breakeven on a run-rate basis by FY24</li> </ul>	

**Self-licensed Advice** covers services provided to Independent Financial Advisers under the IOOF Alliances brand, MLC Connect and Lonsdale Dealer Associates – not licensed by IOOF.

Material gross margin drivers	•	Advisers pay fees for services provided. IOOF does not carry the licence risk
Material cost drivers	•	Support services for advisers; Business Development Managers, Compliance, Research, Marketing

#### shadforth Consultum Net RIIadvice wealth Life Entering the Retirement Cashflow Insurance Intergenerational Mortgage workforce management planning transfer needs stage **Financial Advice** Advice Financial coaching and wellbeing type **Employed** Self-employed Self-licensed advisers advisers advisers Strategy **Engagement, Efficiency, Sustainability** Advice 2.0

#### **IOOF** brands service clients across life stages

**Open architecture -** offering investment platform choice to advisers via distribution of white-labelled third-party platform administration services.

The advice segment includes the financial economics of historical distribution of third-party platform administration or open architecture arrangements to be consistent with historical presentation of operating segments. These include BT (to 17 December 2020), Colonial and some Macquarie white-labelled products. The Rhythm administration solution administered by HUB24, which launched in June 2021, is reported in the Portfolio and Estate Administration segment, as it represents an outsourced administration arrangement by an IOOF Group superannuation fund or Investment Services operator. The economics of historical open architecture arrangements will be included in the Portfolio & Estate Administration segment from FY22. This change will reflect the management of these third-party relationships, which sit outside of the Advice business.

Material gross margin drivers	•	IOOF receives from third parties a share of the fee collected for administration of the product, calculated as bps on FuAdmin
Material cost drivers	•	No material cost drivers - Leverages of IOOF's existing sales and marketing resources in support of financial advisers

**Other** - IOOF also earns advice revenue from advising on general insurance and from Shadforth Business Advisory Services. The gross margin contribution from these two revenue streams is immaterial.

#### **Ex-ANZ ALs**

The ex-ANZ AL segment reports the financial economics of the licences acquired from ANZ on 2 October 2018; Millennium 3, RI Advice and Financial Services Partners (FSP).

On 31 August 2020, IOOF announced that FSP would close. In addition, IOOF announced Advice 2.0 - its go-forward advice strategy which integrates and consolidates the existing IOOF advice licences with the ANZ AL's.

For this reason, IOOF will only report the stand-alone financial metrics of ex-ANZ AL's until 30 June 2021, after which, it will be included in one Financial Advice operating segment.

Please refer to the Financial Advice section on the previous pages which details the material gross margin drivers for the financial advice business line.

# Portfolio & Estate Administration

The Portfolio & Estate segment currently reports the financial economics of IOOF's proprietary platforms and retail Trustee business operation under the brand Australian Executor Trustees ("AET").

This segment currently contains two core platform technologies; Orion and Evolve (formerly called "ASIS") alongside the administration of retail trustee funds. IOOF has also launched a proprietary Managed Account solution "MPS" which has grown to over \$1b in funds under administration.

As part of Project Evolve, IOOF expects to transition all client accounts from Orion to Evolve by the end of calendar year 2021 and to retire Orion by the end of calendar year 2022 (Evolve21). Evolve will be the go-forward proprietary platform technology for all IOOF proprietary products.

Material gross margin drivers	•	Fees from portfolio and estate administration consist of basis points on funds under administration and fixed annual fees per client account	
	•	Fee tiering and capping in many products result in a non-linear relationship between funds under administration and revenue	
	•	MySuper fees are fixed plus basis point on funds under administration resulting in a higher overall gross margin % due to lower average client balances and a fixed proportion of fees	
Material cost drivers	•	Largely relates to IOOF staff salaries and technologies, relating to the following functions:	
		o administration systems and process	
		o product and distribution	
		o governance and process improvement (ClientFirst)	

A breakdown of Portfolio & Estate Gross margin, and average Funds under Administration (FuAdmin) by core product type for FY21 is as follows:

Core products	Platform	Average FuAdmin \$'b	GM \$'m	GM %
Flagship Advised	Orion/Evolve	25.0	88.1	0.35%
Flagship Workplace	Evolve	8.2	43.2	0.53%
Transition	Orion/Evolve	4.6	30.2	0.66%
Trustee	Trustee	6.9	38.6	0.56%
Portfolio & Estate Administration Total	al	44.6	200.0	0.45%

Flagship Advised includes: Pursuit Select, Pursuit Focus (transitioned to Evolve products commenced in June 2021), Shadforth Portfolio Service, eXpand and IOOF Essential

Flagship Workplace includes: IOOF Super and Pension, IOOF MySuper

Transition includes: IPS Super and Schemes, Lifetrack Superannuation and AustChoice Superannuation Plan (all transitioned to Flagship Advised Evolve products in June 2021), as well as Bendigo Super

Trustee includes: Portfolio Management Service, Small APRA Funds, AET Services, Estate & Trustee Services

Details on each product including Product Disclosure statements, information sheets, investment menus etc can be found at <a href="https://www.ioof.com.au/forms">https://www.ioof.com.au/forms</a>

# **Investment Management**

The Investment Management segment reports the financial economics of IOOF's investment management offerings.

IOOF largely operates a "fund of funds" structure with the IOOF investment team's role largely to select investment managers with which to invest client funds under Investment Manager Agreements.

IOOF's key investment management offerings currently include;

- IOOF Multi-manager products
  - o IOOF MultiMix fully active multi-manager funds fund of funds
  - o IOOF MultiSeries low cost, predominantly active multi-manager funds
- IOOF Balanced Investor Trust IOOF's MySuper default option
- Mosaic and Other investment funds includes;
  - Mosaic Trusts Multi-manager funds specifically designed in partnership with licensees
  - Closed or legacy investment offerings and the Cash Management Trust (\$1.5 billion) which was liquidated in December 2020
- IOOF Wealthbuilder IOOF's investment bond offered by the Friendly Society, IOOF Ltd.

A breakdown of gross margin by each investment product category for FY21 can be found below

Investment product category	Average AUM \$'b	GM \$'m	GM %
IOOF Multis	10.8	35.7	0.33%
<b>Mosaic and Other Investment Trusts</b>	10.7	21.8	0.20%
Friendly Society	1.1	6.9	0.65%
Investment Management Total	22.5	64.5	0.29%

Material gross margin drivers	•	Fees from investment management are largely basis points on funds under management
Material cost drivers	•	Largely relates to salaries of the investments team within IOOF with a small allocation of centralised costs
	•	Manager research fees

Details on each investment product including Product Disclosure Statements, information sheets, investment menus etc can be found at <a href="https://www.ioof.com.au/forms">https://www.ioof.com.au/forms</a>

# Fx-AN7 P&I

The ex-ANZ P&I segment reports the financial economics of the Pensions & Investments business acquired from ANZ on 1 February 2020.

The key platforms currently included in this segment include;

- ANZ Smart Choice (Retail) Low fee, digitally distributed and serviced
- ANZ Smart Choice (Employer) Low fee offering for employers and their employees, digitally serviced and relationship managed. Includes SmartChoice's MySuper offering.
- OneAnswer Frontier Adviser platform for retail clients
- Grow Wrap and Oasis Advised wrap platform, administered by Macquarie

The key investment products currently included in this segment include;

• Optimix - Multi-manager funds which deliver effective diversification across specialist managers

Material gross margin drivers	•	Revenue in the P&I segment is largely derived from bundled platform and investment fees which are calculated as basis points on funds under administration and management.
Material cost drivers   • Largely salaries and information technology		Largely salaries and information technology expenditure
	•	Costs paid to outsourced product administrators i.e. Macquarie

A breakdown of gross margin and average funds under administration (FuAdmin) by each product category for FY21 can be found below.

P&I has three proprietary administration platforms: Composer, Gatekeeper and Integra.

P&I fees are bundled for proprietary administered products i.e. they include both platform and investment management fees.

The gross margin for Smart Choice, OneAnswer Frontier and Transition products includes the fees earned from both platform administration and investment management as fees in these products are bundled.

Grow Wrap and Oasis fees are not bundled.

# <u>Please note: the table below includes the total gross margin for both platform and investment management for the products noted above.</u>

Product category	Platform	Average FuAdmin \$'b	GM \$'m	GM %
Smart Choice Employer	Composer	14.2	88.8	0.63%
Smart Choice Retail	Composer	3.7	26.8	0.72%
OneAnswer Frontier	Gatekeeper	10.3	59.3	0.58%
Transition	Composer/Gatekeeper/Integra	9.1	77.5	0.85%
<b>Grow Wrap &amp; Oasis</b>	Macquarie	7.3	16.6	0.23%
Pensions & Investments Total	al	44.6	268.9	0.60%

Transition includes largely closed and legacy products.

Due to the progress of integration of the P&I business, the Ex-ANZ P&I segment will not be reported from FY22. The P&I products and supporting cost structures will be included in the Portfolio and Estate Administration, Asset Management and Corporate segments as appropriate.

# **MLC**

On 31 May 2021 IOOF completed the acquisition of MLC from National Australia Bank (NAB).

As discussed in the Financial Advice section above, on 1 June 2021 all MLC professional services and self-employed advisers were transitioned to IOOF licenses and as a result are reported as part of the Financial Advice segment.

The MLC reporting segment consists of two key business units, Retirement & Investment Services (R&IS) and Asset Management.

# MLC Retirement & Investment Solutions

The key platforms currently included in R&IS include:

- MasterKey (Retail) Low complexity offer for advised and direct retail clients
- MLC Wrap / Navigator Advised wrap platform
- MasterKey Business Super (Employer) Workplace super for current and former employees of generally small to medium, and some large enterprises. Includes MLC MySuper
- Plum (Employer) Workplace super for current and former employees of larger enterprises, offering greater benefit tailoring by employer sponsors. Includes MySuper offers.

Material gross margin drivers	•	Fees from R&IS products consist of basis points on funds under administration and may include fixed annual fees per client account. For all products (except Wrap / Navigator), this includes both administration and investment margins.	
	•	Gross margins between products are impacted by the level of administration fees, fee tiering and capping, together with discounting for larger Workplace super plans, and the mix of business across investment options.	
Material cost drivers	•	Largely relates to MLC staff people costs and technologies, relating to the followin functions:	
		functions:	
		functions:  o administration systems and process	

A breakdown of Retirement & Investment Solutions Gross margin, and average Funds under Administration (FuAdmin) by core product type for FY21 is as follows

Core products	Platform	Average FuAdmin \$'b	GM \$'m	GM %
MasterKey (Retail)	Compass	29.6	157.0	0.53
Wrap / Navigator	Star	35.7	108.6	0.30
MasterKey Business Super	Compass	21.1	112.4	0.53
Plum	SuperB	30.7	102.4	0.33
R&IS Total		117.1	480.3	0.41

MasterKey includes: MasterKey Super & Pension Fundamentals, MasterKey Investment Service, MasterKey Unit Trust

Wrap / Navigator includes: Wrap/Navigator Super and Pension, Wrap/Navigator Investments, Core Wrap

MasterKey Business Super includes: MasterKey Business Super, MasterKey Personal Super

Plum includes: Plum Corporate Plan, Plum Personal Plan, Plum Retirement Income

Details on each product including Product Disclosure statements, information sheets, investment menus etc can be found at <a href="https://www.mlc.com.au">www.mlc.com.au</a> or <a href="https://www.plum.com.au">www.plum.com.au</a>. Note that specific employer plan information regarding Plum Corporate Plans is not publicly available.

# **MLC** Asset Management

MLC's key asset management offerings currently include:

- Multi-Asset Portfolio Construction Manufacturing diversified multi-asset and multi-manager investment solutions for both MLC's internal platforms and external wholesale clients
- Direct Asset Management Capability Managing assets on behalf of clients across a range of asset classes including Australian Equities, Australian Fixed Income, Global Equities, Global Private Equity, Alternatives, Global Listed Property and UK Unlisted Commercial Property

Material gross margin drivers	•	Largely relates to contractual, fixed basis point fees charged on Assets Ur Management	
	•	Can include performance fees from certain Direct Asset Management Capabilities	
Material cost drivers	•	Largely relates to people costs of the investment teams and supporting product, distribution and services teams	
	•	Other costs include: non-people costs such as Investment data subscriptions, manager research fees, research house rating fees and investment platform fees	

A breakdown of gross margin by each investment product category for FY21 can be found below

Investment product category	Average AUM \$'b	GM \$'m	GM %
Multi-Asset Portfolio Construction	112.8	113.1	0.10
Direct Asset Management Capability	50.8	105.4	0.21
Asset Management Total	163.6	218.5	0.13

Multi-Asset Portfolio Construction includes: Plum Diversified, MySuper, Horizon Series, Inflation Plus, Index Plus, Sector Funds, MLC Managed Accounts and JANA Investment Trusts

Direct Asset Management Capability includes: Antares Fixed Income, Antares Equities, MLC Alternative Strategies, MLC Private Equity, Orchard Street Investment Management, Presima, Fairview Equity Partners and Intermede Investment Partners

Further details on Multi-Asset products can be found at <a href="https://www.mlc.com.au/personal/investments/find-a-fund/our-funds">https://www.mlc.com.au/personal/investments/find-a-fund/our-funds</a> Further details on Asset Management can be found at <a href="https://www.mlcam.com.au">https://www.mlcam.com.au</a>

MLC holds minority interest investments in several capabilities which are accounted for under the equity accounting methodology. Assets Under Management where applicable are recognised at MLC's equity percentage ownership to reflect the economic interest MLC has in those businesses.

Capability	Key Facts	
Fairview Equity Partners	Asset Class	Australian Equities (small caps)
	AUM	\$0.6b (at 100%)
FAIRVIEW EQUITY PARTNERS	Ownership	40%
	Location	Australia
	Accounting	Equity accounted (share of associates profit)
Intermede Investment Partners	Asset Class	Global Equities
Α.	AUM	\$12.6b (at 100%)
<u>//</u> _	Ownership	40%
INTERMEDE	Location	UK/US
INVESTMENT PARTNERS	Accounting	Equity accounted (share of associates profit)
JANA Investment Advisors	Capability	Asset Consultant
	Ownership	45%
JANA	Location	Australia
	Accounting	Equity accounted (share of associates profit)

# Corporate

The corporate segment reports the financial economics of largely centralised corporate expenses.

Key corporate expenses currently include;

- Shared service costs including: IT, Legal, Finance, Company Secretary, Risk and Compliance
- Interest expenses on Group debt

# FY21 result detail by business unit

# Advice

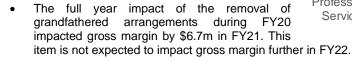
# Financial Advice incl Ex-ANZ ALs (excl MLC Advice)

\$m	FY21	FY20	FY21 v FY20
Revenue	510.2	591.6	(14%)
Direct Costs	(349.8)	(393.4)	11%
Gross Margin (GM)	160.4	198.2	(19%)
Operating Expenditure	(144.6)	(154.0)	6%
EBITDA	20.8	52.4	(60%)

2H21	1H21	2H20	1H20	2H21 v 1H21
233.0	277.2	292.2	299.4	(16%)
(162.8)	(186.9)	(195.8)	(197.6)	13%
70.1	90.3	96.4	101.9	(22%)
(70.3)	(74.3)	(75.4)	(78.6)	5%
3.7	17.1	24.4	27.9	(79%)

# Financial performance

# • Gross margin was impacted by a \$23.0m decline in open architecture revenue. This was largely attributable to the end of the BT relationship in December 2020 (\$18.5m). \$15m in revenue relating to the BT contract was recorded in 1H21 that will be non-recurring in FY22. \$58.8m in funds paid to IOOF by BT in settlement of their obligations under the agreement was recorded as a significant item removed from UNPAT in FY21. Open architecture was also impacted by the Shadforth Portfolio Service product (reported in the Portfolio and Estate Administration segment) gaining traction with Shadforth advisers at the expense of open architecture arrangements.

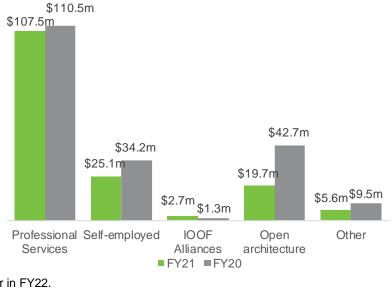


- The lending, general insurance and Corporate Solutions businesses saw lower activity during the year, with a \$5.4m decline in gross margin.
- There were \$4.9m in cost savings on advice conferences compared to the prior year due to in-person conferences cancelled as a result of COVID-19 restrictions.
- Remaining expenditure savings were largely attributable to rationalisation of back office functions and licensees driven by the Advice 2.0 initiative. This saving was partially offset by accruals for staff incentives returning to normal levels.

# Other items

 Underlying losses after tax from the ex-ANZ ALs for FY21 were \$19m. This business is expected to become breakeven on a run-rate basis by the end of FY22.

# **Gross Margin by Channel (\$m)**



# **Adviser numbers**



- Buyer of last resort (BOLR) spend in FY21 has been \$3.5m. An additional \$5.4m in BOLR spend is expected in FY22, with a further \$0.6m forecast for FY23.
- Bridges has converted to a fully employed professional services model as part of Advice 2.0. This will allow Bridges to take advantage of the attractive economics of the professional services model while servicing a mass market client base.
- 135 advisers departed the self-employed channel through the Advice 2.0 initiative since December 2020, this is consistent with IOOF's expectation of approximately 140 adviser departures to result from Advice 2.0,
- 406 MLC advisers elected to join IOOF licensees in June 2021 following the completion of the MLC acquisition, 150 in professional services and 256 self-employed. In addition, MLC Connect has advice service relationships with a further 167 self-licensed advisers.
- IOOF is no longer reporting Funds Under Advice (FUAdvice) as a key performance indicator of the Advice business. The relevance of FUAdvice has been in decline due to an ongoing trend towards fixed fee advice arrangements and the economics of the self-employed channel. Adviser numbers, practice relationship numbers and other relevant metrics will be provided on the Advice business on a regular basis.
- The third-party platform arrangements presented in open architecture are shown within the Financial Advice segment for the benefit of consistency with historical treatment. This presentation will be discontinued in FY22 to reflect that this channel is not managed by the Advice business.

# Financial Advice segment ex-MLC

\$m	FY21	FY20	FY21 v FY20
Revenue	309.0	373.1	(17%)
Direct Costs	(161.8)	(195.3)	17%
Gross Margin (GM)	147.2	177.7	(17%)
Operating Expenditure	(103.5)	(104.1)	1%
EBITDA	46.7	78.9	(41%)

2H21	1H21	2H20	1H20	2H21 v 1H21
136.3	172.7	180.1	193.0	(21%)
(71.2)	(90.6)	(94.8)	(100.5)	21%
65.1	82.1	85.3	92.4	(21%)
(51.3)	(52.2)	(51.6)	(52.5)	2%
16.2	30.5	35.4	43.4	(47%)

### Ex-ANZ ALs

\$m	FY21	FY20	FY21 v FY20
Revenue	201.2	218.5	(8%)
Direct Costs	(188.0)	(198.0)	5%
Gross Margin (GM)	13.2	20.5	(35%)
Operating Expenditure	(41.0)	(49.9)	18%
EBITDA	(25.9)	(26.5)	2%

2H21	1H21	2H20	1H20	2H21 v 1H21
96.7	104.5	112.1	106.4	(8%)
(91.7)	(96.3)	(101.0)	(97.0)	5%
5.0	8.2	11.1	9.4	(39%)
(19.0)	(22.0)	(23.8)	(26.1)	14%
(12.5)	(13.4)	(10.9)	(15.5)	6%

# MLC Advice contribution to Financial Advice segment in statutory result

\$m	June 2021
Revenue	17.9
Direct Costs	(12.7)
Gross Margin (GM)	5.2
Operating Expenditure	(12.7)
EBITDA	(7.4)

# Portfolio and estate administration

\$m	FY21	FY20	FY21 v FY20
Revenue	230.5	255.9	(10%)
Direct Costs	(30.5)	(44.5)	31%
Gross Margin (GM)	200.0	211.4	(5%)
GM %	0.45%	0.49%	(8%)
Operating Expenditure	(123.8)	(115.0)	(8%)
EBITDA	76.3	96.4	(21%)
Average FUAdm (\$b)	44.6	43.5	3%
NOM %	0.17%	0.22%	(23%)

2H21	1H21	2H20	1H20	2H21 v 1H21
111.5	119.1	122.0	133.9	(6%)
(13.6)	(17.0)	(22.0)	(22.5)	20%
97.9	102.1	100.0	111.5	(4%)
0.43%	0.47%	0.47%	0.50%	(9%)
(62.9)	(60.9)	(56.1)	(58.9)	(3%)
35.0	41.2	43.9	52.6	(15%)
46.3	43.0	42.7	44.2	7%
0.15%	0.19%	0.21%	0.24%	(20%)

# **Financial performance**

- Gross margin was impacted by a reduction in margin for the flagship employer product, which resulted from a cohort of back book customers shifting to contemporary pricing (\$6.2m). This pricing change was backdated to the start of FY21, so the go forward run-rate impact is expected to be the same.
- Higher average FUAdmin balances were driven by positive net flows, as well as strong market performance, with a resulting impact to gross margin of \$5.8m.
- Renegotiation certain grandfathered arrangements ensuring ongoing compliance with regulatory requirements impacted gross margin by \$4.5m.

# **Net Flows by Solution (\$m)**

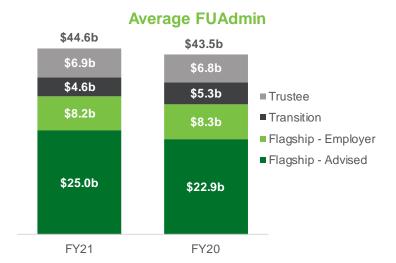


- Market and interest rate driven gross margin items in the Australian Executor Trustees (AET) business were impacted by market conditions during the year (\$2.9m).
- Outside of the employer super margin impact discussed above, gross margin was impacted by a further \$1.5m as a result of pricing and portfolio mix impacts.
- Staff incentive accruals have returned to more normal levels following a depressed FY20, resulting in a \$4.2m increase to operating expenditure.

 Increased costs have also been allocated to the segment from shared service functions, primarily driven by pre-completion resourcing for the MLC acquisition.

### Other items

- The phase 1 migration for Evolve21 was completed in June 2021, transferring in excess of 38,000 clients and \$5b in FUAdmin to IOOF's proprietary Evolve platform. The phase 2 migration of remaining products currently administered on the ORION system is on track to be completed in December 2021.
- The gross margin impact resulting from the transfer of clients onto contemporary pricing on the Evolve platform is expected to be \$9m in FY22, with a full run-rate of \$17m p.a. expected following the completion of the phase 2 migration.
- Net inflows of \$1.1b were driven by strong net flows of \$1.9b into flagship advised platforms, largely into Evolve.
- The IOOF Essential/Pursuit Focus baby-wrap offering saw strong growth during the year, with in excess of \$1b inflows.
- Client demographics vary significantly between the Advised and Employer member cohorts. The average balance of Advised clients is significantly higher and fees charged to these clients are more than double those charged to the averaged Employer client.
- The AET trustee business includes a variety of high touch services and is prone to margin deviations due to fluctuations in estate volumes.







# **Investment Management**

\$m	FY21	FY20	FY21 v FY20
Revenue	101.4	105.7	(4%)
Direct Costs	(37.0)	(39.2)	6%
Gross Margin (GM)	64.5	66.5	(3%)
GM %	0.29%	0.29%	(1%)
Operating Expenditure	(13.5)	(10.5)	(28%)
EBITDA	51.0	55.9	(9%)
Average FUM (\$b)	22.5	23.0	(2%)
NOM %	0.23%	0.24%	(7%)

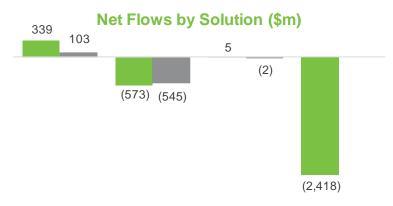
2H21	1H21	2H20	1H20	2H21 v 1H21
51.9	49.6	50.8	54.9	5%
(18.2)	(18.8)	(18.9)	(20.3)	3%
33.7	30.8	31.9	34.6	9%
0.30%	0.27%	0.28%	0.29%	12%
(6.5)	(7.0)	(5.3)	(5.2)	7%
27.2	23.8	26.5	29.4	14%
22.4	22.5	22.7	23.3	(1%)
0.24%	0.21%	0.24%	0.25%	17%

# Financial performance

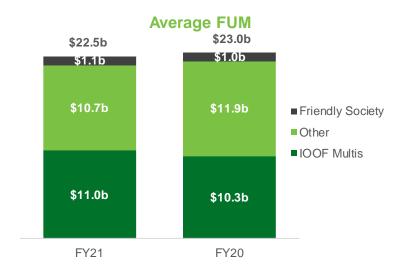
- The record low interest rate environment impacted margins on cash products by \$2.2m.
   These products have since been reinvested into external interest-bearing cash accounts delivering improved client outcomes.
- Gross margin in the Friendly Society was impacted by the low interest rate environment and the need to preserve returns to bondholders (\$1.2m).
- Costs were impacted by a return of staff incentive accruals to normal levels following a depressed FY20 (\$2.1m).
- The establishment in FY20 of the Office of the Responsible Entity, an industry leading governance initiative, resulted in an additional \$1.5m in costs in FY21.

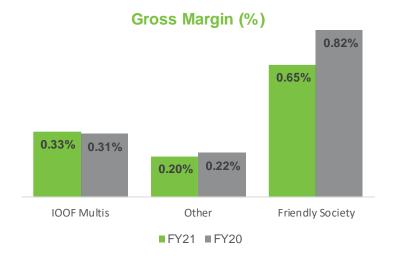
### Other items

- Flows performance of the multi-manager products gained momentum in the second half of FY21 (\$15m net flows in 1H21, \$324m in 2H21). This was attributable to strong adviser support for the IOOF MultiSeries funds, which offer competitive pricing, strong investment returns, and increasing client engagement through Investment Central.
- Reduced average FUM was attributable to the restructuring of cash investment options during the year and the resulting outflows recorded against FUM.
- Margin improvement in IOOF Multi-manager is attributable to the MultiSeries trusts benefiting from increased scale. FUM across the MultiSeries offering increased by 56% during FY21 to \$2.8b at 30 June 2021.









# Ex-ANZ P&I

\$m	FY21	FY20	FY21 v FY20
Revenue	329.1	117.3	n/a
Direct Costs	(60.2)	(16.4)	n/a
Gross Margin (GM)	268.9	100.9	n/a
GM %	0.38%	0.35%	8%
Operating Expenditure	(150.6)	(64.1)	n/a
EBITDA	118.4	37.4	217%
Average FUMA (\$b)	70.9	69.8	2%
NOM %	0.17%	0.13%	29%

2H21	1H21	2H20	1H20	2H21 v 1H21
170.8	158.4	117.3	-	8%
(27.2)	(33.0)	(16.4)	-	18%
143.6	125.3	100.9	-	15%
0.39%	0.36%	0.35%	N/A	8%
(74.5)	(76.1)	(64.0)	-	2%
69.1	49.3	37.4	-	40%
73.4	68.3	69.8	-	8%
0.19%	0.14%	0.13%	N/A	33%

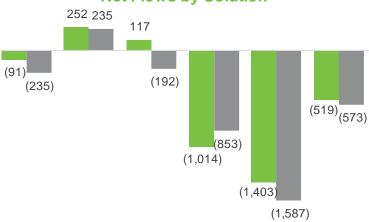
# Financial performance

- The improved performance of the P&I segment reflects a 12-month ownership period in the current year, compared to 5-months in the prior year.
- Gross margin was positively impacted by \$10.9m in FY21 as a result of enhancements and repricing of the Smart Choice product in April 2021. Repositioning of the legacy P&I product suite is planned for 1H22, which is expected to offset the gross margin impact of the changes made to Smart Choice.
- \$8.7m p.a. in run-rate revenue synergies were derived from the P&I integration program during the year. These relate to scale benefits realised by the investment business in relation to investment management fees charged by thirdparty fund managers. These fees are recognised in the direct costs line, as opposed to operating expenditure.
- Across the IOOF Group an in-year cost synergy benefit of \$16.0m was derived from the P&I integration program. This benefit was derived across multiple reporting segments, with P&I being the largest beneficiary.

# Other items

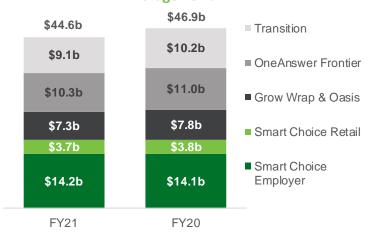
- P&I retail platform flows (OneAnswer/Grow Wrap/Oasis) stabilised in comparison to the prior year, halting a trend of increasing year-on-year outflows.
- Smart Choice net flows were positive for the year, an improvement on neutral flows in the prior year and indicate a positive outcome from product enhancements and repricing in the latter part of the year.

# **Net Flows by Solution**



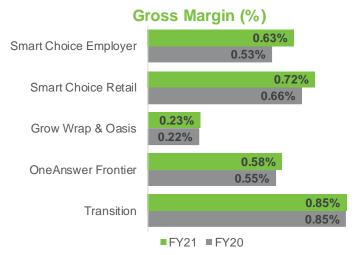


# Average FUAdmin



- Subsequent to the change in the underlying investment manager for the Vanguard and OnePath index funds from Vanguard to Invesco and consistent with IOOF's FUMA reporting principles, the \$6.6b in FUM relating to these funds is now incorporated into P&I Investment Management. With the change in investment manager, the index funds have been renamed from "Vanguard" to "OnePath" effective from 24 May 2021. This recognition of FUM in line with IOOF's FUMA reporting principles does not have an impact on gross margin.
- Grow Wrap & Oasis margin includes platform gross margin only and is net of fees paid to Macquarie to administer the products.

Please note: the table to the right includes the total gross margin for both platform and investment management for all products other than Grow Wrap & Oasis, which is platform gross margin only.



# **MLC**

# MLC statutory reporting segment

\$m	June 2021
Revenue	78.9
Direct Costs	(16.6)
Gross Margin (GM)	62.3
GM %	0.25%
Operating Expenditure	(34.5)
EBITDA	29.4
Average FUMA (\$b)	298.7
NOM %	0.12%

# MLC incl MLC Advice (reported in Financial Advice segment)

\$m	June 2021
Revenue	96.8
Direct Costs	(29.3)
Gross Margin (GM)	67.6
GM % <sup>1</sup>	0.25%
Operating Expenditure	(47.2)
EBITDA	21.9
Average FUMA (\$b) <sup>1</sup>	298.7
NOM % <sup>1</sup>	0.12%

<sup>&</sup>lt;sup>1</sup> FUMA and margins exclude Advice

# MLC pro forma segment overview

	FY21	FY20	FY21 v FY20
MLC Advice			
Gross Margin (\$m)	67.5	75.9	(11%)
Operating expenses (\$m)	(170.2)	(196.9)	14%
EBITDA (\$m)	(102.7)	(120.7)	15%
UNPAT (\$m)	(71.9)	(86.0)	16%
MLC Advice (employed) average revenue per adviser (\$m)	0.42	0.37	14%
MLC Advice (employed) average ongoing advice fee (\$)	3,215	2,697	19%
MLC Advice (employed) ongoing client#	6,397	6,353	1%
MLC Retirement & Investment Solutions			
Gross Margin (\$m)	480.3	536.6	(10%)
Operating expenses (\$m)	(334.2)	(348.2)	4%
EBITDA (\$m)	147.4	188.4	(22%)
UNPAT (\$m)	103.1	121	(15%)
Average FUA (\$bn)	117.1	115.2	2%
GM (%)	0.41%	0.47%	(13%)
NOM (%)	0.13%	0.16%	(19%)
R&IS FUA (Close) (\$bn)	126	111.8	13%
R&IS Net Flows (\$m)	(3,467)	(3,419)	(1%)
MLC Asset Management			
Gross Margin (\$m)	218.5	211.8	3%
Operating expenses (\$m)	(155.7)	(149.9)	(4%)
EBITDA (\$m)	67	66.3	1%
UNPAT (\$m)	50.1	45.9	9%
Average FUM (\$bn)	163.6	160.5	2%
GM (%)	0.13%	0.13%	-
NOM (%)	0.04%	0.04%	-
FUM (Close) (\$bn)	175.2	157.6	11%
Net Flows (\$m)	(2,088)	(6,298)	67%

The FY21 pro forma amounts shown above are adjusted to reflect the twelve months ending 30 June 2021. FY20 is based on MLC's pro forma September 2020 earnings reflecting a standalone cost base. This overview excludes the MLC Corporate and Other segment, which is added to generate the MLC FY21 pro forma financial details shown in the Investor Presentation.

MLC Retirement & Investment Solutions net flows are inclusive of a \$655m impact in FY21 relating to the Early Release of Super scheme (FY: \$1,223m).

# Corporate and Other

\$m	FY21	FY20	FY21 v FY20
Revenue	1.2	0.9	31%
Direct Costs	(0.1)	-	n/a
Gross Margin (GM)	1.1	0.9	21%
Operating Expenditure	(46.9)	(41.4)	(13%)
EBITDA	(44.9)	(38.1)	(18%)

2H21	1H21	2H20	1H20	2H21 v 1H21
0.6	0.6	0.5	0.4	(6%)
(0.1)	(0.0)	-	-	n/a
0.5	0.6	0.5	0.4	(21%)
(25.4)	(21.5)	(20.4)	(21.0)	(18%)
(24.5)	(20.5)	(18.7)	(19.3)	(19%)

### Financial performance

- Premiums for IOOF Group insurance items, including crime and Directors and Officers insurance, have increased due to the
  increased scale and complexity of the Group following the completion of P&I (FY20) and MLC (FY21) (\$2.4m).
- Costs were impacted by a return of staff incentive accruals to normal levels following a depressed FY20 (\$1.6m).

# Key strategic initiatives

IOOF currently has three key strategic initiatives in addition to business as usual commitments. These pillars are designed to focus, simplify and grow the business to deliver on the strategy of 'advice-led wealth management' while leveraging the 5 strategic principles.

- Advice 2.0
- Evolve21
- Transformation

The 3 initiatives above draw upon 5 key strategic principles:

- ClientFirst culture
- Advice Reinvention
- · Economies of simplification
- Proprietary technology
- Trusted reputation

A virtual investor briefing was held on 2 December 2020 covering each of the 3 strategic initiatives. The presentations can be accessed at <a href="https://www.ioof.com.au/data/assets/pdf">https://www.ioof.com.au/data/assets/pdf</a> file/0008/416816/IOOF-Virtual-Investor-Briefing-2020-Access-and-presentation-materials.pdf

# Advice 2.0

As announced on 31 August 2020, Advice 2.0 is reshaping advice and improving the quality and affordability of advice.

The Advice 2.0 project is focussed on the long-term sustainability of the Advice division, an initiative that focusses on redesigning the advice experience. The core benefits of this project are to deliver more accessible and cost-effective financial advice, improve adviser efficiency and ensure a profitable division that is independent from product.

Key elements of Advice 2.0

- There will be three go-forward advice models;
  - Professional Services Shadforth and Bridges
  - o Self-employed advice Lonsdale, M3, RI and Consultum
  - o IOOF Alliances servicing the IFA market
- Advice 2.0 resulted in the imminent closure of the FSP licence Total run rate savings of \$10m per annum.
- Targeting ex-ANZ ALs advice (ex-MLC) to breakeven on a run-rate basis by the end of FY22 via increased revenue & reduction in costs. The template provided by Advice 2.0 is expected to be able to be applied to bring the MLC Advice business to breakeven on a run-rate basis by the end of FY24.

# **Evolve**

Evolve is a cross functional program of work targeting one IOOF proprietary platform by end of calendar year 2021. We are currently on track to meet this target, having completed the phase one product migration in June 2021, transitioning over 38,000 member accounts

Evolve21 will enable significant simplification of our business, support the ClientFirst methodology and deliver for our people by reducing waste and complexity, allowing greater focus on service excellence. Evolve21 is critical to IOOF's ability to deliver improved client outcomes through efficiency, sustainability and our ability to innovate.

Key elements of Evolve;

- Proprietary technology is key similar to other niche platform providers
- Service is our key competitive advantage vs peers.
- Evolve is being built to welcome future rationalisation of P&I and MLC platforms

Further detail on Evolve and the planned migrations can be found at https://www.ioof.com.au/evolve

# **Transformation**

On 31 May 2021, nine months following the announcement of the transaction and in line with previously stated timelines, IOOF completed the acquisition of MLC from NAB. The acquisition is truly transformational for IOOF as it positions us as the leader of a new era of wealth management in Australia with a strong platform for future growth. IOOF and MLC share a common purpose to improve the financial wellbeing of all Australians and client-led philosophy. The step-change in scale will, over time, lower the cost to service for more than 2.2 million clients and members.

In view of the significant transformation and integration activity which IOOF will undertake in the coming years to build one IOOF which realises the potential of our combined and future business, IOOF has a dedicated Transform division led by the Chief Transformation Officer. The Transform division's purpose is to lead the IOOF's rethinking and reengineering of its business and operating models in order for the organisation to deliver on its purpose and ambition. The Transform division's key responsibilities include:

- Developing and leading IOOF's transform vision, roadmap and engagement strategy;
- Enabling strategy development and orchestrating enterprise business planning;
- Aligning enterprise initiatives and sequencing and managing dependencies;
- Providing an accountability and measurement framework for strategic initiatives;
- Developing IOOF's target state operating model and associated roadmap;
- · Providing the portfolio governance and delivery model;
- Championing enterprise change management; and
- Leading the integration of the ex-ANZ P&I and MLC businesses, which IOOF is managing as a single programme of work.

The key milestones achieved by IOOF over the last 6 months as part of the transformation programme include:

- Completion of the acquisition of MLC in line with previously stated timelines and with priority given to ensuring a positive change experience for all employees;
- Achievement of synergy targets for ex-ANZ P&I;
- Completion of the first phase of the organisational redesign for the combined entity, realising synergies effective from day 1 post completion of the acquisition of MLC;
- Further progress in separating ex-ANZ P&I from ANZ, with full separation, including IOOF's exit from the ANZ Transitional Services Agreement (TSA), now expected to occur in the second half of calendar 2022 given ANZ dependencies; and
- Advanced planning for separating MLC from NAB.

# Debt

# Capital management approach

In order to maintain or adjust the capital structure, the IOOF Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, buy back its shares on market, issue new shares, sell assets, or otherwise adjust debt levels. The IOOF Group monitors capital on the basis of investment capital, working capital and regulatory capital.

Investment capital is the IOOF Group's capital that is not required for regulatory and working capital requirements of the business. The investment capital is invested in:

- bank deposits and debt note;
- subsidiaries;
- financial assets at fair value through other comprehensive income;
- · unit trusts, as investments; and
- IOOF Group operated unit trusts, as seed capital.

The investment capital is available to support the organic development of new businesses and products and to respond to investment and growth opportunities such as acquisitions, as they arise.

Seed capital is primarily available to support the business in establishing new products and is also used to support capital adequacy requirements of the benefit funds. Working capital is the capital that is required to meet the day to day operations of the business.

Regulatory capital is the capital which the IOOF Group is required to hold as determined by legislative and regulatory requirements in respect of its friendly society and financial services licensed operations. During the year, the IOOF Group has complied with all externally imposed capital requirements.

For detailed information on IOOF's debt at 30 June 2021, please refer to IOOF's excel based analyst pack.