



ASX Release 18 August 2022

Iress announces 1H 22 results

Iress executing on strategy, underlying EPS up 32%.

	1H 22 financial performance	
	Underlying	Reported
Revenue	\$306.4m, +6%	\$308.2m, +6%
Segment Profit	\$80.3m, +6%	\$80.7m, +7%
NPAT	\$31.8m, +29%	\$30.6m, -25%
ROIC	9.6%, +140 basis points	9.4%, -110 basis points
EPS	17.1cps, +32%	16.4cps, -23%

Iress Limited (ASX:IRE) today released its first half 2022 financial results.

Iress chief executive Andrew Walsh said, "We are making good progress executing on our strategies supporting revenue growth, investment in product & technology and strong capital management to deliver higher returns for shareholders. On a constant currency basis, revenue and segment profit increased by 6% versus the prior corresponding period."

In determining underlying results, Iress has adjusted the prior corresponding period for the one-off earn-out payments for the QuantHouse and BC Gateway acquisitions.

Mr Walsh continued: "Underlying net profit after tax increased by 29%. Coupled with the benefits of the continuing share buy-back program and the purchase of shares for employee remuneration, underlying EPS rose by 32%.

"The lifetime value of our client relationships sits at \$25.7bn, many multiples of our market capitalisation, highlighting the strength of our client base and continued revenue growth.

"We are on track in our transition to a platform-based architecture and operating model, to drive faster speed to market, operating leverage and scale.

"With new commercial and sales leadership and a whole-of-client engagement model in place, Iress is enhancing its commercial focus and ability to benefit from positive industry trends.

"It is pleasing to see our core business in Australia deliver another strong performance, with financial advice and trading & market data revenue growing by 8% on pcp. Recurring revenue grew by 9% on pcp for trading & market data and 8% for financial advice.

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"We have a positive view on the outlook for the Australian wealth industry with Xplan continuing to be the advice software of choice for advisers, while the broad trend towards digitisation and demand for greater efficiency continues to unlock opportunities for advisers' profitability.

"The commercial launch of our new, integrated investment infrastructure offer is planned for November this year. Pilot trials have been successful in demonstrating the efficiency gains of our disruptive offer. New, experienced sales leadership is in place and ready to execute the plan to drive broad market adoption and accelerated revenue growth.

"We continue to make good progress in superannuation, another of our key growth strategies. ESSSuper is now live with our automated super admin solution and we are in advanced conversations with two more large super funds. We continue to see strong demand for our tech-enabled approach to operating models in superannuation, with a growing sales pipeline. Industry consolidation should provide further opportunities.

"In the UK, our mortgages business is performing well following the decision to retain it for growth. Private wealth and trading are also gaining momentum. Continued take up of Xplan functionality, wins against competitors and project implementations saw recurring revenue grow by 25% and 8% in these businesses. Retail wealth underperformed. We have rejuvenated our sales approach and capability for this segment and expect improved results.

"Our capital management strategies are designed to complement and enhance operational earnings growth. To date we have acquired \$70m worth of shares with a further \$30m to be completed as part of an extended buyback program.

"Iress continues to have a strong balance sheet. With high free cash flow and cash conversion of 93%, we can self fund growth investments. We have started to invest the \$30m to build and transition to the single product and technology platform which underpins our progress to delivering on the 2025 targets we released at our investor strategy update last year."

The Board has declared an interim dividend of 16 cents per share, franked to 25%. The dividend is payable on Friday, 23 September 2022.

Outlook

Iress affirms the guidance range for full year 2022 of segment profit of \$177m - \$183m. 2022 segment profit is expected to increase by 7% - 10% versus the pcp. Results are now expected to be at the lower end of the range due to investment in fund registry as part of investment infrastructure, and delayed growth in the UK.

Further details on the 1H 2022 results are contained in the results presentation.

Investor conference call

Iress CEO Andrew Walsh and CFO John Harris will host a conference call and Q&A briefing with investors at 9.30am AEST on Thursday 18 August.

Investors who wish to participate in the teleconference [should register here](#). Alternatively, if you would like to listen to the audio webcast [please pre-register here](#).

If you are unable to listen to the conference call live, a recording will be provided in the investor section of the Iress website following the release of the results.

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About Iress

Iress (IRE.ASX) is a technology company providing software to the financial services industry.

We provide software and services for trading & market data, financial advice, investment management, mortgages, superannuation, life & pensions and data intelligence.

Our software is used by more than 10,000 businesses and 500,000 users globally. We have over 2,300 people based in Asia-Pacific, North America, Africa, the UK and Europe.

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