

ASX Release 20 February 2023

Iress reports 2022 full year results

Solid revenue growth and renewed focus on core software strengths to accelerate returns

(A\$m)	2022 Reported	YoY Growth	2022 Underlying ⁽¹⁾	YoY CC Growth
Revenue	617.9	3.7%	622.7	4.5%
Segment Profit	165.1	(0.7%)	166.8	0.4%
NPAT	52.7	(28.6%)	72.3	6.1%
EPS (¢)	28.6	(26.3%)	39.2	9.7%
ROIC ⁽²⁾	8.2%	(230 bps)	10.6%	80 bps
DPS (¢)	46.0	0%		

Notes

⁽¹⁾ Underlying represents reported adjusted for constant currency and non-operating and significant items. Refer to slide 35 of the results presentation for a list of non-operating and significant items.

⁽²⁾ ROIC calculated based on EBIT post tax dividend by sum of net debt and equity. Underlying ROIC excludes non-operating and significant items but is not adjusted for constant currency

Iress (ASX:IRE) today released its full year 2022 financial results.

In constant currency, revenue increased by 4.5%. Segment profit was consistent with the prior year at \$166.8m, in line with the revised guidance provided in September 2022.

Net profit after tax (NPAT) in constant currency was \$54.0m, also inside the revised guidance range. Underlying NPAT, adjusting to exclude non-operating and significant items (post tax), was \$72.3m, representing an increase of 6.1%.

Underlying EPS increased by 9.7% in constant currency assisted by the share buy back program completed in October 2022.

A final dividend of 30¢ with 0% franking was determined, taking the full year dividend to 46¢. The record date will be 24 February 2023 and the payment date will be 17 March 2023.¹

Marcus Price, who commenced as Iress CEO in October 2022, said: "I came to this business as a long-time admirer, and my early impressions remain: Iress is a high-quality business with tremendous

¹ For non-resident shareholders, the dividend will not attract withholding tax as it is sourced entirely from the Company's Conduit Foreign Income Account.

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potential. We have great people with deep industry knowledge and technical capability. We also have high-quality clients at the heart of the financial services industry.”

Core Australian business strength

“The strength of Iress’ core Australian franchise is impressive, where we provide systemically significant infrastructure at the centre of a growing industry.

“The 2022 results once again demonstrate the strength of our advice, trading, and superannuation businesses in Australia, with domestic revenues increasing for the APAC region up by 6% on a constant currency basis. Here, Iress enjoys leading market share, with excellent products critical to our clients’ businesses while playing in large, growing addressable markets with long-term recurring revenues.

“Our Superannuation business continues to perform well. Recurring revenues grew by 17% in constant currency supported by new client wins, including Commonwealth Super Corporation. All super funds are seeking to solve for operational efficiency and improved member experience, underpinned by digitisation. In this respect, Iress is the best-placed independent technology partner in this market.

“While we saw another strong result in Australia, there is significant room for improvement by reinvesting in innovation in our core software to build the next generation of advice and trading technology.”

Priority to improve shareholder returns in offshore markets

“Outside Australia, a number of our offshore markets underperformed. The UK in particular was disappointing, with overall revenue growth declining by 1% in constant currency. Growth in recurring revenue in Private Wealth and Trading Cost offset churn in Retail Wealth in the region.

“We are evaluating business models and product strategies to determine the best path for success in this market, including how we can improve returns for shareholders.”

Focus on software & future growth

“Since commencing in the role in October, we have been conducting a thorough analysis of Iress’ performance across geographics, segments, and the commercial and operating model in place. The process is well underway and will be completed in March.

“This analysis will inform some of the important decisions ahead for us, such as how we allocate capital to drive Iress’ next stage of growth, the best way to structure our business to drive



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accountability and efficiency, and to validate which products and markets we should choose to contest. More details will be shared at our Investor Day in April.

"We have already been able to move forward on several immediate priorities. The transition to a cloud-based architecture is well advanced, unlocking operating leverage and accelerating our ability to deploy software in a more scalable and nimble way.

"We have also reallocated resources away from low-return initiatives to reinvest in our core trading and advice software. We successfully launched Investment Infrastructure in November 2022, with a focus on solving a key pain point for advisers by providing efficient connectivity between Xplan and third party platforms and insurers to make it easier to execute on advice. Significant progress has been made on a new digital advice capability as we reimagine the future of advice in our major markets. Work has also commenced on new front-end mobile apps for advice and trading.

Optimistic about Iress' potential

"With targeted product development and deep industry expertise, we are confident we can continue to enhance our relevancy and help drive our clients forward by solving pain points that come from digital inefficiencies.

"I believe Iress has a tremendous, generational opportunity right now. In essence, we are returning to, and reaffirming, our credentials as a leading technology business and being more explicit about our enhanced ambitions, strategies and intentions going forwards."

Outlook

"We are very positive about the strengths of Iress' core business and opportunities to deliver greater returns for shareholders

"In 2023, we expect our Segment Profit to be at or above the levels of 2022, with the potential to do better as an outcome of the analysis currently underway.

"Given the scope of this work and the impact it is likely to have on both near and longer term performance, we will update guidance in April at our Investor Day.

"What really matters to me and the team at Iress is ensuring we finalise the review at pace, evaluate the findings in a considered way, and execute the changes needed to deliver against the enormous potential we see for Iress, our shareholders, clients and people."

Further details on the FY 2022 results are contained in the results presentation and financial statements, also lodged today.



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Investor conference call

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 announcement live, a recording of the call will be provided in the Investor section of our Iress website from Tuesday 21 February 2023.

Ends

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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 2,250 people based in Asia-Pacific, North America, Africa, the UK and Europe.

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