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Equity Trustees

EQT HOLDINGS LIMITED
ASX ANNOUNCEMENT

18 February 2021

EQUITY TRUSTEES DELIVERS STRONG FUNDS GROWTH AS EARNINGS REBOUND ON PREVIOUS HALF

PERFORMANCE CONFIRMS STRATEGY AND GROWTH MOMENTUM

- Funds under management, administration and supervision up 27% on previous half to $128 billion
- Revenue $48.3 million, up 3.7% on previous half and in line with prior comparative period (pcp) ($48.9 million)
- Net profit $9.8 million, up 27.4% on previous half and down 14.5% vs pcp
- Underlying NPAT $10.7 million, up 8.7% on previous half and down 6.5% vs pcp
- Interim dividend 44 cents per share
- Fulfilling purpose of safeguarding people's wealth and supporting the community
- Outlook positive, with industry trends supporting independent fiduciary model

EQT Holdings Limited (ASX: EQT), the holding company for Equity Trustees, today announced ongoing strong growth in funds under management, administration and supervision (FUMAS), rising 27% to $128 billion during the six months ended 31 December 2020.

The strong funds growth continued to support earnings as equity markets started to recover during the half, with net profit for the period up 27.4% to $9.8 million, on revenue of $48.3 million, up 3.7%, compared with the previous half. The Board declared an interim dividend of 44 cents per share.

Chair Carol Schwartz AO said: "Equity Trustees continued to seize the opportunity for growth during a particularly challenging environment.

"The excellent increase in FUMAS and strong financial turnaround reflect our strategy of investing for growth, as well as the resilience of our people and their commitment to our clients and beneficiaries.

"While equity markets are recovering, they remain below prior levels, and this has had an impact on our business. However, the industry trend to outsource the fiduciary role continues to benefit us, and both TWS and CTS delivered underlying organic growth during the half."

Managing Director Mick O'Brien said the strength of the group's core business and the substantial investment in people and technology underpinned the result.

"The ongoing funds growth is very encouraging, as FUMAS is what drives future revenue streams," he said.

"Operating expenses were contained, up 3.4% to $33.5 million, continuing to reflect the ongoing investment in people and technology to underpin future growth. Equity Trustees has not applied for or received any Government support during this period.

Mr O'Brien said stabilising equity markets were positive for earnings, and very good growth in corporate trust and related products provided further opportunities.

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He said the net profit was impacted by two significant items - $1.7 million in M&A project costs and a $0.8 million write-back of a tax provision. Adjusting for these two items would see underlying NPAT of $10.7 million.

"The ongoing growth in FUMAS and the resilience of our earnings confirm that our strategy is on track," Mr O'Brien said.

"Current momentum is encouraging, and we will continue to build capability so we can capitalise on opportunities as they arise and deliver for our clients, shareholders and the broader community.

"The outlook for FY21 is positive."

Ms Schwartz said that Equity Trustees' position as Australia's leading fiduciary specialist was as important as ever in current times.

"The financial services environment is increasingly demanding an independent fiduciary model, and COVID-19's impact on financial markets is highlighting the benefits of a trusted, stable fiduciary," she said.

"The community has higher expectations for corporate behaviour to earn trust.

"Our core purpose is about safeguarding people's wealth and supporting the community, and all of our stakeholders will prosper as we continue to focus on this."

The Board has authorised that this document be given to the ASX

FURTHER INFORMATION

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Equity Trustees was established in 1888 to provide independent, impartial trustee and executor services to help Australian families protect their wealth. Now Australia's leading specialist trustee company, Equity Trustees offers a diverse range of services to private and corporate clients including asset management, estate planning, philanthropic and responsible entity services. Equity Trustees is the brand name for EQT Holdings Limited (ABN 22 607 797 615) and its subsidiaries, with offices in Melbourne, Bendigo, Sydney, Brisbane, Perth and London. EQT is listed on the Australian Securities Exchange (ASX: EQT).