2021 Full Year Results

Thursday, 26 August 2021

Renato Mota, CEO and David Chalmers, CFO

Growth platform in place with positive momentum building

Business transformed adding capabilities, capacity and providing synergies, creating value and growth

Scale achieved

- Acquisitions of ANZ P&I and MLC have established IOOF as a diversified wealth management business with scale
- 2.2 million clients across Australia
- 1,975 financial advisers
- $221b funds under administration
- $175b MLC assets under management
- $57b funds under management

Synergies underway

- Disciplined execution delivering synergies and simplification
- $56m p.a. cumulative annualised run-rate achieved by 30 June 2021
- $218m p.a. cumulative annualised run-rate target by 2024 from integration and efficiency benefits

Organic growth focus

- Long term organic growth platform established
- Favourable future long term operating environment for advice, administration and investment management
- Technology the enabler for growth

Business Overview

Renato Mota, CEO

A new IOOF: Stronger together

FY21 Financial Highlights	
Robust financial performance	
$147.8 million	UNPAT from continuing operations
$(143.5) million	Reported NPAT
$56 million	Cumulative run-rate synergies pa
9.5 cps ordinary + **2.0 cps** special	Final fully franked dividends
17.5 cps ordinary + **5.5 cps** special	Total dividends per share for FY21
$1.5 billion	IOOF Pro forma Group Revenue (incl MLC)
$453 billion	**Total Group FUMA (excluding FUAdvice)**

Business Highlights	
Step change in scale, size and reach	
Acquisition of MLC completed	Synergy run-rate of $12m pa achieved by 30 June On track to deliver an additional synergy run-rate of $80-100m p.a. by end of FY22
Transformation & Simplification Achievements	Advice 2.0**:** Building a sustainable long-term advice model with break even run-rate from ANZ Advice segment by end of FY22 Cumulative run-rate synergies of $44m achieved from ANZ P&I Executing a robust plan for acquisition integration and synergy delivery
Evolve migration	Successful migration of over 38,000 retail accounts On track to complete Evolve21 migration by December 2021
Governance	Uplift in IOOF's governance and risk capabilities continues as a focus

Organic growth continues

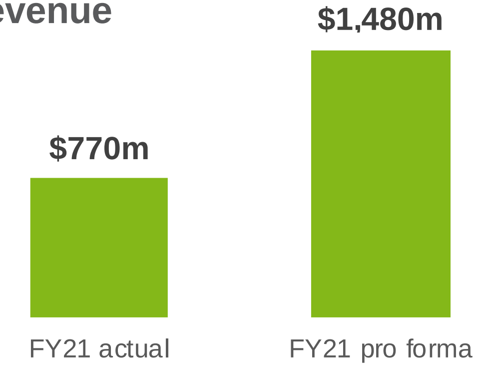
- **IOOF FUMA: 15.5%** organic year-on-year uplift (excluding MLC)
- **Net inflows of $1.1b** into Portfolio and Estate Administration
- **Strong momentum** of new organic inflows into Financial Advice
- **Turnaround in net flows** into Investment Management (in the last quarter)

A new IOOF: One Business. One Purpose.

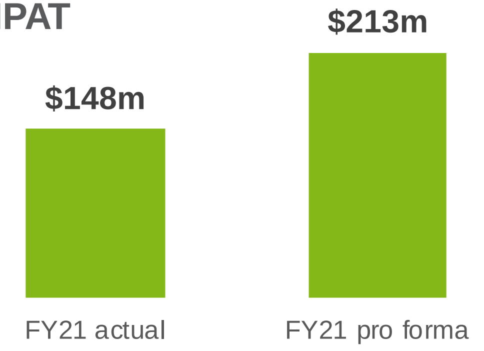
Purpose | understand me, look after me, secure my future

SCALE & STRENGTH

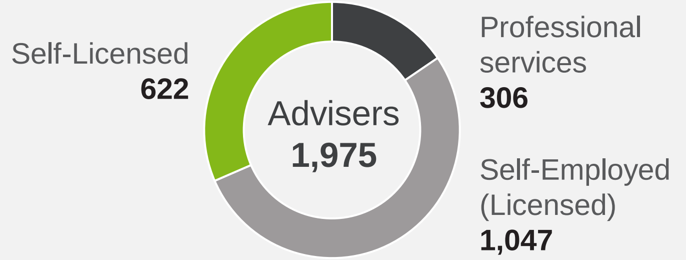
Revenue

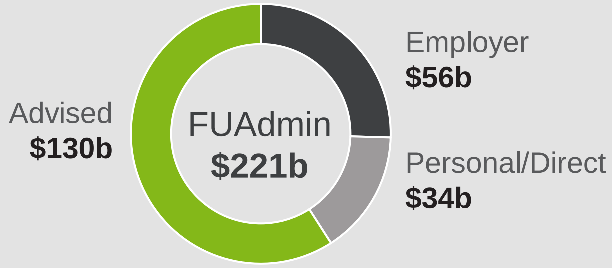


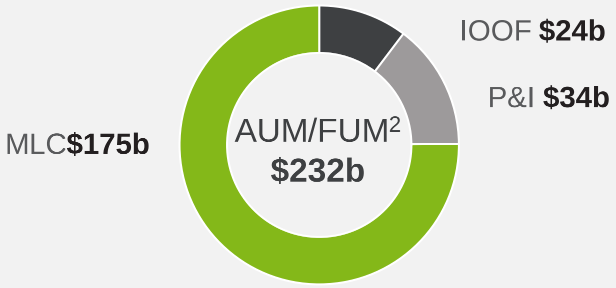
UNPAT



ECONOMIC DIVERSITY





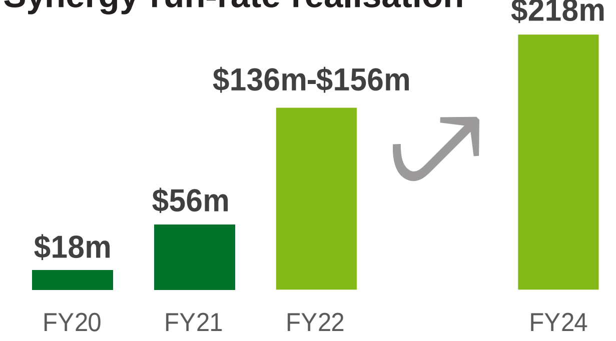


LONG-TERM OPPORTUNITY

Platform for sustainable, long term growth

- ~2.2 million clients across Australia
- Step change in scale and economic diversification
- Ability to deliver life-long client relationships
- Market trends support system expansion
- Transformation delivers synergy benefits while positioning for long term growth

Synergy run-rate realisation[1]



Notes: (1) Synergies run-rate pre-tax. $56m FY21 synergies includes $44m run-rate synergies from P&I integration plus $12m upfront MLC run-rate synergies (2) IOOF and MLC currently use different reporting methodologies for FUM (IOOF) and AUM (MLC) (3) Pro forma figures shown incorporate IOOF FY21 result ex-MLC with a 12 month pro forma result added. Further detail on the FY21 pro forma is shown on page 20.

FY21 Transformation Achievements

Progress on Key Milestones

FOCUS

Advice-led wealth management – FY21 EBITDA $20.8m[1]
- Savings in back office expenditure support new adviser pricing
- Ex-ANZ ALs on track to breakeven run-rate by end of FY22
- Departures, transitions, and new additions all aligned with long term sustainable advice model
- Wealth Central awarded 'Best New Advice Technology' by Investment Trends

SIMPLIFY

Portfolio and Estate Administration, P&I & MLC – FY21 EBITDA $216.6m[2]
- Evolve migration on track for completion by December 2021
- ANZ P&I synergy targets delivered
- Initiatives to reposition legacy P&I products launched
- 3 MLC platforms ($126b in FuAdmin) transferred to IOOF

GROW

Investment Management – FY21 EBITDA $51.0m
- Direct capabilities expand growth opportunities

Integration
- Unified program across P&I and MLC
- In-year P&I synergies of $16.0m
- Cumulative $55.8m annualised run-rate synergies from acquisitions achieved by 30 June 2021

Governance

Remediation
- $144m remediation payments made and $165m recognised MLC provisions (funded by NAB)
- Advice remediation process to be largely complete by end of FY22

Outcome

Advice 2.0
Accessible, Affordable, and Sustainable Advice

Enhanced Client Benefits and Experience

Market share growth

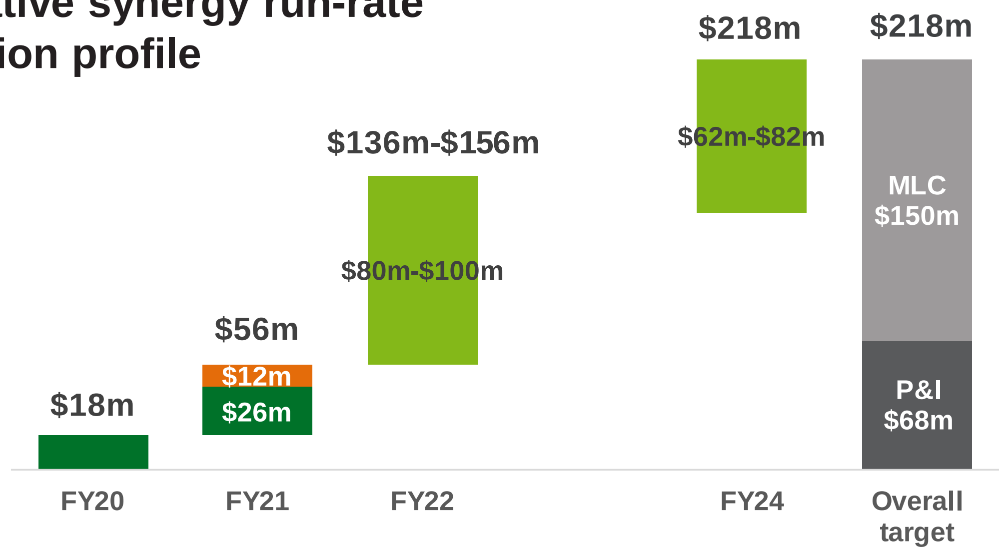
Scale and reach supporting growth

Improve efficiencies – lower cost to serve

Notes: (1) Excluding MLC Advice (2) Includes bundled investment fees within P&I segment

Achieving Synergies

Cumulative synergy run-rate realisation profile



	P&I	MLC
Cumulative synergies run rate to 30 June 2021	$44m	$12m
FY21 in-year synergy benefit	$16m	Nil
FY21 revenue synergies run-rate[3]	$9m	Nil
Residual synergy target	$24m	$138m
Transformation and integration spend FY21[1]	$31m	$72m
Residual transformation and integration budget	$20m	$288m

FY22: Single transformation program

- Total cumulative combined synergy run-rate target of $218m p.a. from both ANZ P&I and MLC acquisitions
- Remaining transformation and integration budget: $308m
- On track to deliver additional synergy run-rate of $80m - $100m p.a. by the end of FY22[2].
- $12m p.a. of MLC run-rate synergies in FY21, in addition to P&I
- $9m in run-rate P&I revenue benefits achieved in FY21, in addition to synergies[3].

Notes: (1) includes costs of capital raising that were not expensed and capital expenditure costs (2) Inclusive of $10m MLC revenue synergies (3) P&I revenue benefits not counted towards the cumulative synergies run-rate as the P&I target represents cost synergies only

Financial Results

David Chalmers, CFO

FY21 Financial Summary

$m	IOOF ex-MLC	MLC[1]	Total FY21	FY20	FY21 v FY20
Revenue	700.8	69.1	**769.9**	588.4	31%
Expenses	479.3	47.2	**526.5**	384.4	(37%)
EBITDA	221.5	21.9	**243.4**	204.0	19%
UNPAT	132.3	15.5	**147.8**	124.0	19%
NPAT	(158.8)	15.3	**(143.5)**	53.0	n/a
Dividends (cps)[2]	23.0	n/a	**23.0**	34.5	(33%)
Gross Margin (%)[3]	0.39%	0.25%	**0.37%**	0.40%	(3bps)
Cost to Income Ratio	68.2%	68.7%	**68.4%**	64.1%	423bps
FUMA (Close) ($b)[4]	152.2	301.2	**453.4**	131.8	244%
FUMA (Avg) ($b)[4]	138.0	298.7	**162.6**	99.0	64%
UNPAT EPS (cps)[5]	22.7	2.4	**25.1**	35.4	(29%)
FTE	2,186	2,518	**4,704**	2,008	134%

Key Commentary

- FY21 financial results include 12 months of P&I (7 months in pcp) and 1 month of MLC contribution (0 months in pcp)
- Organic revenue growth through higher FUMA balances driven by positive equity market growth was offset by gross margin contraction (3bps) and cessation of BT open architecture contract
- Disciplined cost management through FY21, with contribution from in-year cost synergies from P&I integration activities of $16.0m (run-rate benefit of $26.0m, marginally ahead of expectations)
- NPAT impacted by non-cash impairment of $200m (as disclosed in Q4 FY2021 Business Update) and integration expenses associated with P&L and MLC acquisitions
- 2H21 dividends of 11.5cps[2] taking FY21 Total Dividends to 23.0 cps
- Decreased EPS attributable to increase in capital base in early FY21 to fund the acquisition of MLC, which contributed only one month of earnings to the FY21 result

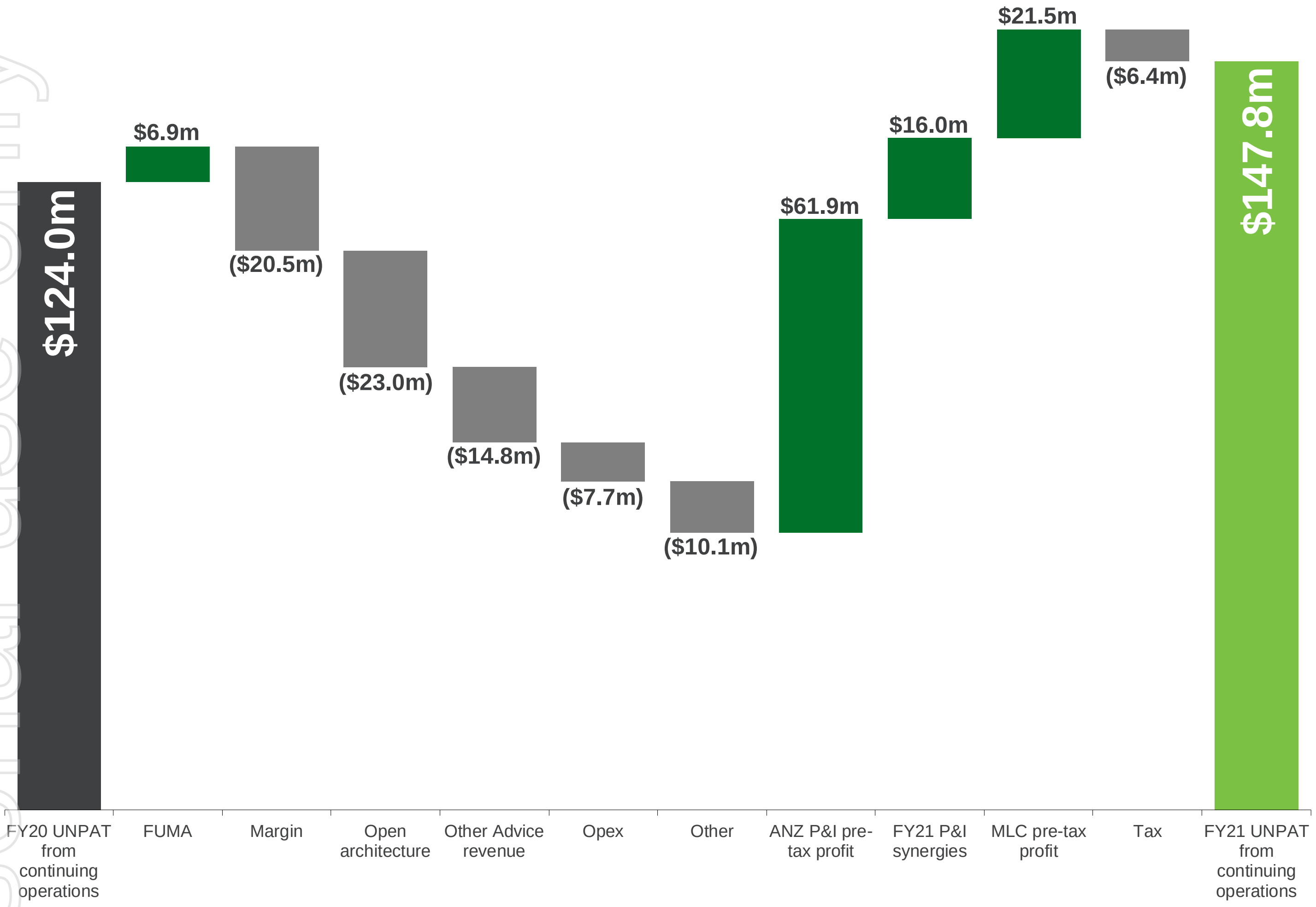
Notes: All presented on a continuing operations basis unless otherwise stated. (1) MLC result for one-month ownership period (June 2021) (2) 2H21 dividends comprise 9.5cps ordinary dividend and 2cps special dividend. FY21 dividends comprise 17.5cps ordinary dividends and 5.5cps special dividends. FY20 dividends comprised of 27.5cps ordinary dividends and 7cps special dividend. (3) Excludes Advice. (4) Funds Under Management and Administration, excludes Funds Under Advice. (5) UNPAT EPS calculated using average number of shares for the year (FY21: 589,307,870), total shares on issue at 30 June 2021 were 649,324,356.

Financial overview: Business Units

	Advice[1]	Portfolio & Estate Administration	P&I	MLC[2]	Investment Management
FY21 KPIs	▪ **$20.8m EBITDA** ▪ $5.9m UNPAT ▪ 1,975 advisers	▪ **$76.3m EBITDA** ▪ $45.1m UNPAT ▪ $48.4b FUAdmin	▪ **$118.4m EBITDA** ▪ $77.6m UNPAT ▪ $46.6b FUAdmin ▪ $33.7b FUM	▪ **$21.9m EBITDA** ▪ $15.5m UNPAT ▪ $126.0b FUAdmin ▪ $175.2b FUM	▪ **$51.0m EBITDA** ▪ $34.5m UNPAT ▪ $23.5b FUM
Overview	• Significant year of transformation, with Advice 2.0 structural changes largely complete • Material reduction in gross margin (-$37.8m), of which $30.9m is due to significant decline in legacy open architecture agreements (-$23.0m) and removal of grandfathered commissions (-$6.7m)[3]	• Reduction in gross margin of $11.3m (5%) despite higher FUAdmin balance due to margin contraction of the flagship employer product (-$6m) and end to grandfathered arrangements (-$4.5m) • Expenses impacted by return of staff incentive accruals to normal levels[4] ($4m) and increased costs allocated from shared service functions, driven by pre-completion resourcing for the MLC acquisition	• Improved result reflecting 12 months of ownership (5 months in PCP) • $8.7m revenue synergies realised from the P&I integration program • Revenue benefiting from Smart Choice enhancements and reprice • P&I largest beneficiary of $16.0m in-year cost synergies	• Single month of ownership (June) reflected in IOOF results • UNPAT above run-rate for the month of June due to one-off expenditure timing benefits • A 12 month pro forma result for MLC is shown on slide 16	• Margins on cash products impacted by low interest rate environment ($2m). These products have since been restructured delivering improved client outcomes • Increased costs largely attributable to establishment of the Office of the Responsible Entity, an industry leading governance initiative

Notes: All comparisons to prior comparative period unless otherwise stated. (1) Includes Financial Advice and Ex-ANZ ALs operating segments, excludes 1 month contribution of MLC Advice (2) Includes MLC Advice (reported in Advice segment) (3) No further impact expected FY22. (4) Depressed in FY20 (5) The above items sum to Group EBITDA with the inclusion of the Corporate and Other segment: FY21 ($44.9m), FY20 ($38.1m)

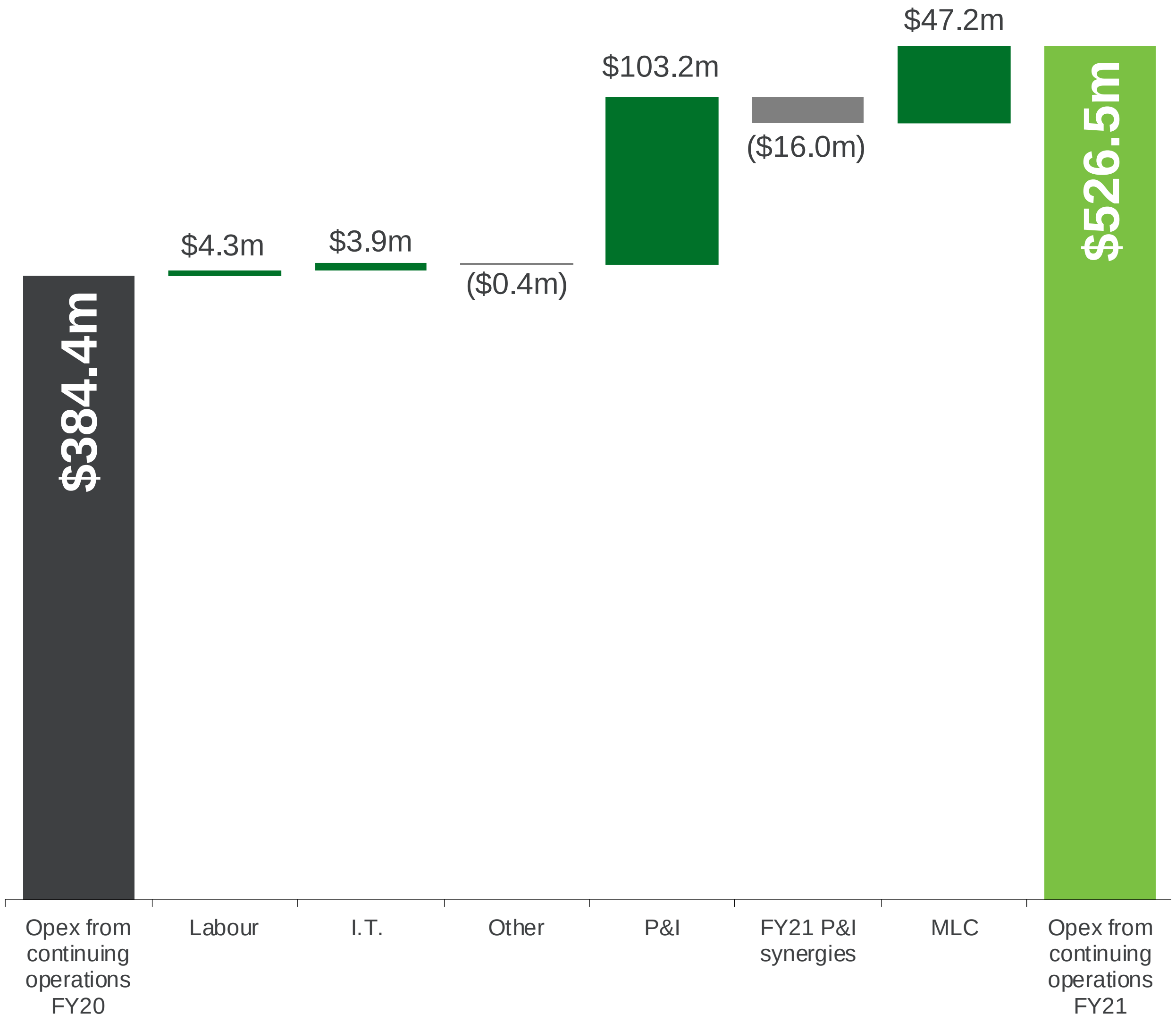
Group UNPAT analysis



- Strong equity markets performance resulted in higher average FUMA balances; benefit partially offset by negative net flows in P&I
- Margin impacted by transition of legacy products into solutions at contemporary pricing
- Open architecture impacted by end of BT relationship ($18.5m)
- Other advice revenue impacted by removal of grandfathered arrangements ($6.7m), no further impact expected FY22. The lending, general insurance and Corporate Solutions businesses saw lower activity during the year ($5.4m)
- Continued cost control exercised in underlying business, cost uplift within CPI
- Other includes impact of:
  - Increased depreciation as a result of greater capital spend to support P&I integration ($5m)
  - Reduction in adviser conferences ($3m)
- $16.0m in-year impact from synergies achieved; majority accounted in P&I segment

Notes: (1) Pro forma P&I FY20 pre-tax profit of $106.6m, based on unaudited pro forma information shown on page 22 of the FY20 Results presentation, shown net of $8.1m coupon interest in FY20.

Expense Base Analysis



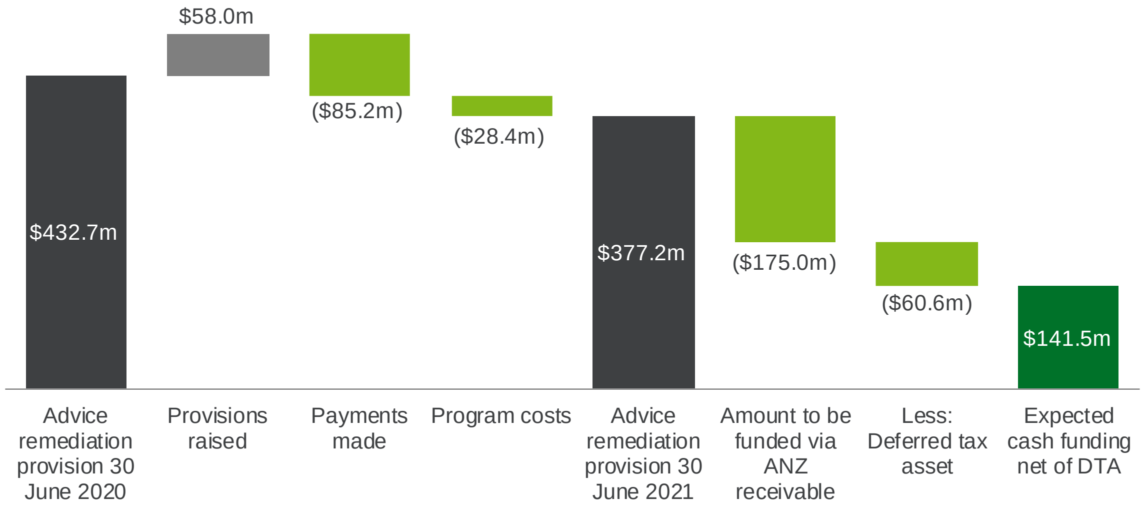
- Labour cost uplift within CPI and largely relates to investment in additional ongoing governance capability in the prior year, such as the Office of the Responsible Entity ($1.5m)
  - No general salary increases in FY21 due to prudent cost control in uncertain operating environment
- Continued investment in internal IT capability
- $16.0m impact from synergies derived during FY21 largely attributable to reductions in labour and consultancy costs. $55.8m cumulative annualised run-rate synergies achieved will accelerate in-year impact in FY22
- One month MLC expenditure below run-rate due to one-off timing items. 12 month pro forma expenditure for MLC is shown on slide 16.

Notes: (1) Pro forma P&I FY20 cost base of $167.2m, based on unaudited pro forma information shown on page 22 of the FY20 Results presentation

IOOF remediation provision summary

Advice remediation provision

- Payments to clients to accelerate further in 1H22
- Remediation program is expected to be largely completed by end of FY22
- Increase in provisions include provision for potential quality of advice issues from advisers who passed initial control testing, but with subsequent KRI reviews ($19m) and changes in interest calculation ($14m)



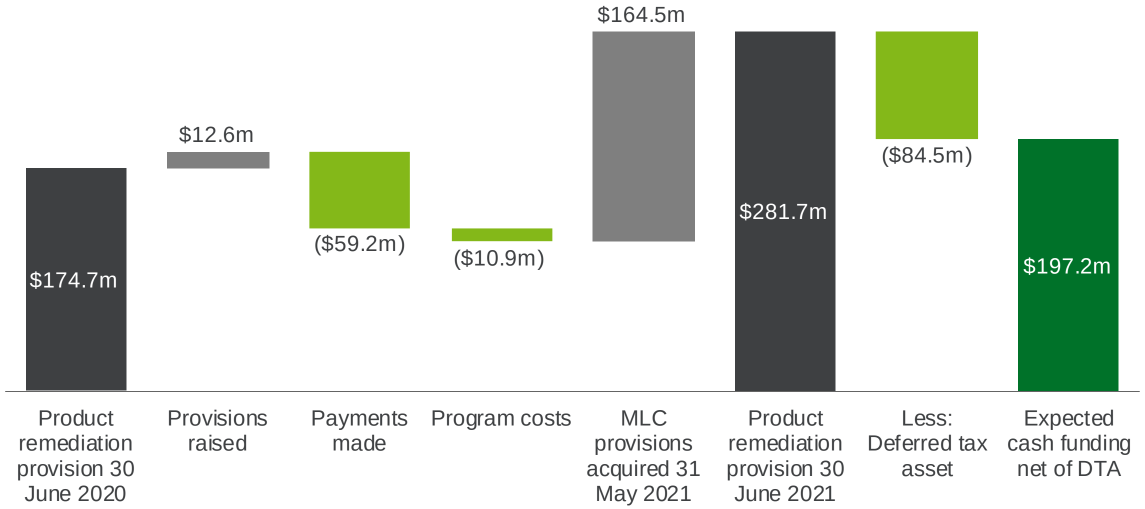
Product remediation provision

P&I

- $59.2m of payments to clients made in FY21 (1H: $5.4m)
- P&I provisions restated following completion of net asset statement and acquisition accounting[1]
- P&I remediation expected to complete calendar year 2022

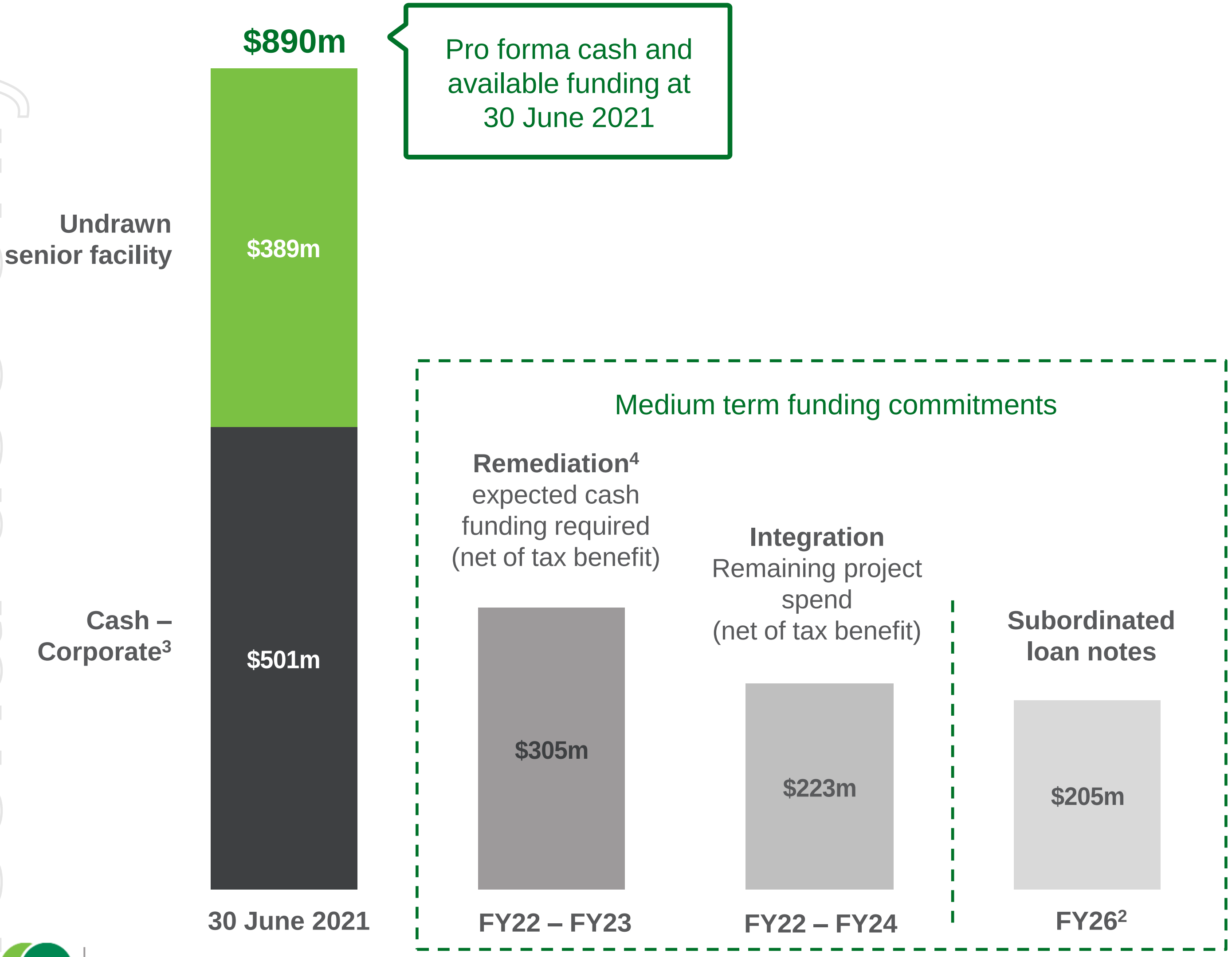
MLC

- MLC remediation expected to extend into at least FY23
- Provisions funded through cash transferred at completion, with further contractual protections



Note: (1) 30 June 2020 provision balance restated from $197.9m to $174.7m upon completion of acquisition accounting. (2) MLC provision acquired is subject to finalisation of completion net asset adjustment process and acquisition accounting.

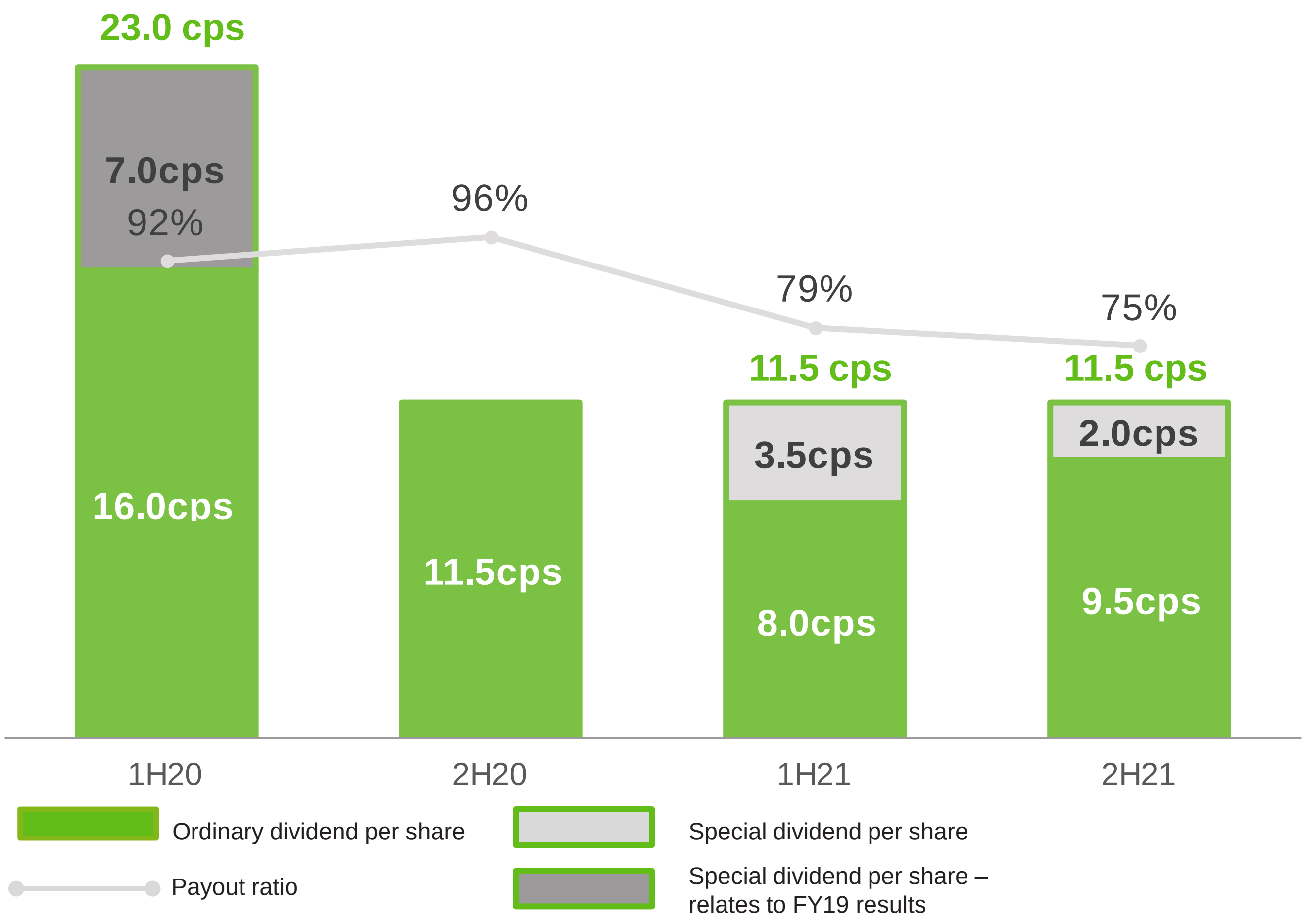
Corporate Cash and Debt Facilities



- As at 30 June 2021, IOOF had pro-forma cash and available undrawn facilities of $890m
- Revolving cash advance facilities totalling $865m maturing:
  - September 2022 – Facility A: $240m
  - September 2023 – Facility B and D: $625m
- $476m senior debt drawn at 30 June 2021
- 30 June senior leverage[1] of 0.6x; lower than expected due to timing of remediation payments
- Medium-term senior leverage expected to peak in late FY22 at upper end of target leverage range of 1.0x-1.3x

Notes: (1) Subordinated loan notes excluded from net debt per terms of SFA. (2) IOOF early redemption possible from 31 May 2024, SLN Holder early redemption possible from 30 November 2024, Maturity Date 31 May 2026. (3) Excludes Restricted ORFR cash ($165m) (4) Shown net of estimated purchase price adjustment in respect of MLC acquisition

Long-term shareholder returns



- 77% full year ordinary dividend payout ratio for FY21, consistent 60-90% target range
- Payout at mid to upper end of target reflects commitment to delivering long-term shareholder returns
- Dividend payout demonstrative of current balance sheet strength and confidence in the future
- Stable franking account balance[1]

Notes: (1) $74.3m in 30 per cent franking credits available to shareholders of IOOF Holdings Ltd for subsequent financial years (FY20 $73.3m)

The new IOOF

$m	IOOF ex-MLC FY21	MLC Pro forma FY21	Group Pro forma FY21
Revenue	700.8	778.8	**1,479.6**
Expenses	479.3	670.3	**1,149.6**
EBITDA	221.5	108.5	**330.0**
UNPAT	132.3	81.0	**213.3**
UNPAT EPS (cps)	22.7	n/a	**32.9**
Gross Margin (%)[1]	0.39%	0.27%	**0.31%**
Cost to Income Ratio	68.2%	86.1%	**77.7%**
FUMA (Close) ($b)	152.2	301.2	**453.4**
FUMA (Avg) ($b)	138.0	280.7	**418.7**
Platform net flows ($m)[2]	(999)	(3,467)	**(4,466)**
Investment net flows ($m)[3]	(3,222)	(2,088)	**(5,310)**
Licensed adviser numbers[4]	947	406	**1,353**

Overview

- The FY21 Group pro forma is based on the IOOF result excluding the one-month contribution of MLC, adding the 12-month pro forma result for MLC to 30 June 2021.
- MLC pro forma expenditure is $12m lower than observed in 2020 – representing upfront synergies
- Higher cost to income profile of MLC represents significant opportunities for simplification.
- Lower MLC gross margin attributable to scale of asset management business and move to contemporary pricing for MLC platforms.

FY22 Reporting Changes and Priorities

- Reporting segments reduced to four (Advice, Platforms, Investment Management and Corporate) – updated for 1H22
- Review FUMA methodology to ensure consistency between IOOF and MLC reporting and allocations – updated for Q1 FY22 FUMA report
- Review cost allocation model – completed by 1H22
- IOOF has reviewed its principles for determining significant items adjusted from its NPAT to derive UNPAT. The new methodology will come into effect in FY22

Notes: MLC FY21 result normalised for one-off items identified in the result, such as timing of cash incentives, and adjusted to reflect the go forward expenditure profile of the business under IOOF ownership in items including insurance. (1) Excludes Advice. (2) MLC flows include impact of Early Release of Super ($655m). (3) IOOF investment net flows impacted by changes to cash investment structure ($2.4b) (4) Excludes 622 self-licensed advisers.

FY22-24 Selected Financial Drivers and Targets

Item	FY22-24 impact on UNPAT	Comment
Synergies	△	Increasing in-year impact of synergies, towards target of $218m; Exploration of further revenue / gross margin synergies.
Advice losses	△	Break-even run-rate expected by end of FY22 for ANZ AL's; breakeven run-rate for MLC advice by end of FY24
P&I product pricing changes	◁ ▷	Active management of product suite, with margin erosion offset by improving net funds flow. Impacts of Smart Choice re-price and OneAnswer to broadly offset on an annualised basis
P&I net flows	△	Target neutral net flows by second half of FY23
Product migration revenue trend	▽	Evolve21 to reduce revenue by est. $9m FY22, $17m run-rate post-December 2021; Future product simplification revenue decline to be offset by cost savings
Open architecture	▽	5 months of BT revenue ($15m) in 1H21; no revenue in 2H21 or FY22 Increase in revenue from HUB
Net operating margin	△	Decline in gross margin to be offset by cost efficiencies resulting in improving net operating margin
UNPAT methodology	▽	Revised methodology will mean fewer items adjusted from NPAT. It is estimated that UNPAT would have reduced by circa 3% in FY21, with no change to cash flow or NPAT
Ordinary dividend cps	△	60-90% Payout ratio; eps uplift from full year benefit of earnings from MLC and realised synergies

Priorities and Outlook

Renato Mota, CEO

Well-positioned to take advantage of growing market opportunities

Expanding Addressable Market

+0.5%
Super contribution raised to **10%** from 1 July 2021

+2.0%
Mandatory Super contribution to increase to **12%** by 2025

$56 billion
Additional contributions in the next 5 years[1]

$4.0 trillion
Expected Super assets balance by 2025[2]

Leverage from changing industry dynamics

Doubled
Demand for Advice from Australians in last five years[3]

Declining
Supply for affordable quality advice expected to persist

+15.3%
Increase in household wealth[4]

Complex needs
of ageing population and emerging affluent

Advocacy
For advice growing among industry and legislative bodies

Growing Supply-Demand Gap

32%
Forecast decline in advisers practicing by end of 2023[5]

Wexit
Banks exit advice, as specialised advice companies integrate

Regulation
Measures and compliance requirements intensify and force advisers out of industry

Sources: (1) Grattan Institute Estimate 2019 (2) Average based on ASFA's private sector consensus forecast; Superannuation Statistics Report, May 2021 (3) Investment Trends 2020 Financial Advice Report (4) ABS Australian National Account: Finance and Wealth, March 2021 (5) Based on Adviser Ratings forecast

Transformation with purpose

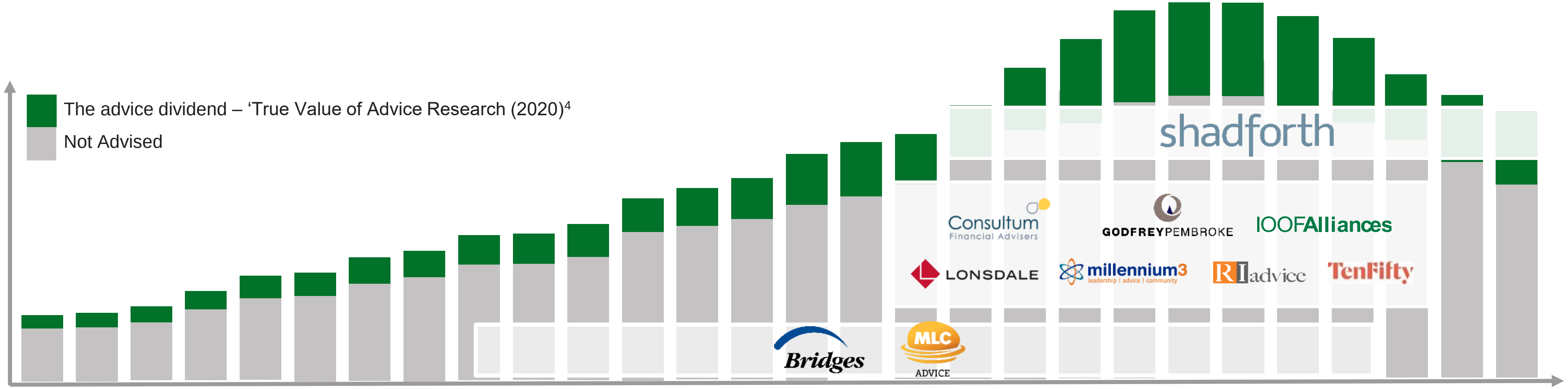
	2019–2021	2022–2024
FOCUS	**Advice 2.0** • Enhanced corporate governance and education standards across the adviser base • Improved productivity and quality of advice enabled by technology • Improved sustainability and profitability of self-employed channel	**Financial Wellbeing** • Orienting our service proposition around member needs • Expanding the capability of technology to shape member experience and drive personalisation • Opportunity to reach the significant unadvised segment of the market
SIMPLIFY	**Evolve** • Transition of the IOOF legacy administration platforms to the Evolve platform – to be completed in December • Adoption of the successful Evolve blueprint to underpin further platform rationalisation	**Product Simplification** • Complete review of entire product suite • Commence a structured consolidation of ANZ P&I and MLC platforms to the 'go-forward' technology • Continued enhancements to client experience to remain relevant to changing client needs
GROW	**Acquisition** • Completed transformational acquisitions of ANZ P&I and MLC • Achieved critical mass and breadth of offering across all major segments of Advice, Platforms and Asset Management	**Client Engagement and Reputation** • Review of current suite of brands underway • Focus on client needs and market engagement • Grow the client base and market share, delivering sustainable shareholder returns

CULTURE	CONDUCT	INNOVATION

FOCUS

Advice: Lifecycle opportunities

Net wealth



Life stage: Entering the workforce → Cashflow management → Mortgage → Insurance needs → Retirement planning → Intergenerational transfer

Advice type	Financial coaching and wellbeing	Financial Advice
Strategy	Understand, Digitise, Innovate	Engagement, Efficiency, Sustainability
IOOF opportunity	**Over 1 million unadvised employer & direct members**	**Advice service relationships with over 10% of Australian financial advisers[3]**
Market opportunity	**90% of Australians not receiving an advice service[5]**	**Demand for advice doubled in last 5 years[1]**
Economic drivers	**Brand equity, client lifetime value/retention**	**Ex-ANZ AL UNPAT ($19.2m), MLC Advice UNPAT ($71.9m) Target ex-ANZ AL breakeven by end FY22[2], MLC Advice FY24[2]**

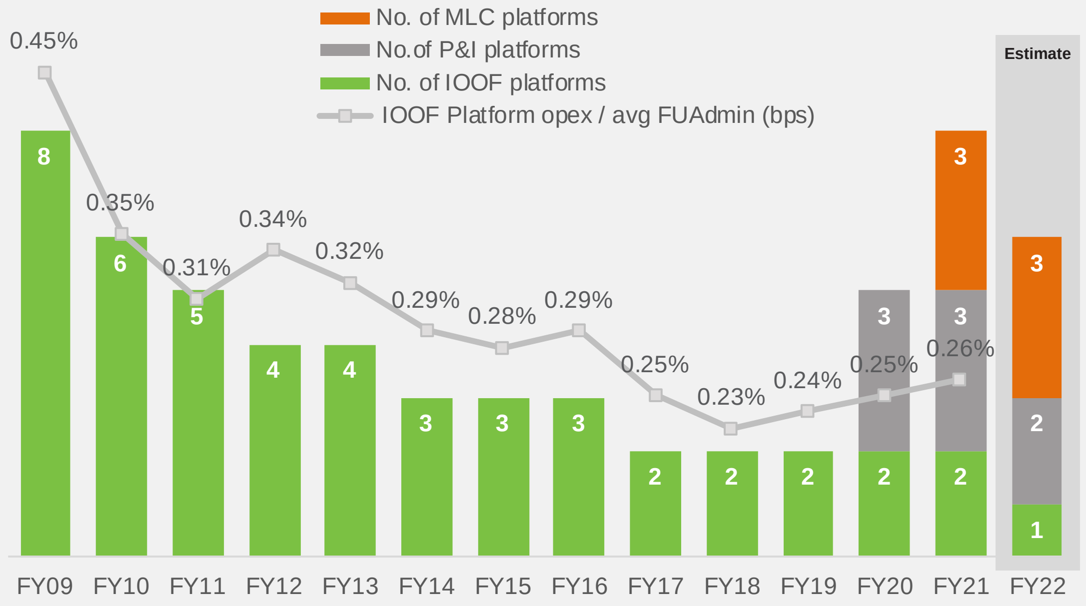
Notes: (1) Investment Trends 2020 Financial Advice Report (2) On a run-rate basis. Breakeven to be achieved via cost reduction (to be counted in synergies targets) and increased recovery of costs (not counted towards synergies) (3) IOOF Advice relationships with 1,975 financial advisers represents >10% of 19,568 advisers listed as "current" on ASIC financial adviser register (as at 24 August 2021) (4) Report available at: https://www.ioof.com.au/financial-advice/the-true-value-of-advice (5) Source: Oliver Wyman - Future of Financial Advice, 2021.

Platforms: Product Simplification deliverables FY22 targets

SIMPLIFY

- Platform simplification is key to unlocking long term benefits of scale
- ORION (IOOF) and Integra (P&I) platforms to be retired in FY22 – clients upgraded to contemporary offers

Platforms and operating expenses over time[1]



	IOOF – Portfolio Administration	IOOF – P&I	MLC	TOTAL	Target reductions by FY22
RSE Licensees	1	2	1	**4**	**-1**
Funds[2]	2	2	4	**9**	**-2**
Platforms[3]	2	3	3	**8**	**-2**
Products	46	37	22	**105**	**-34**
Clients	259,381	506,827	902,212	**1,668,420**	

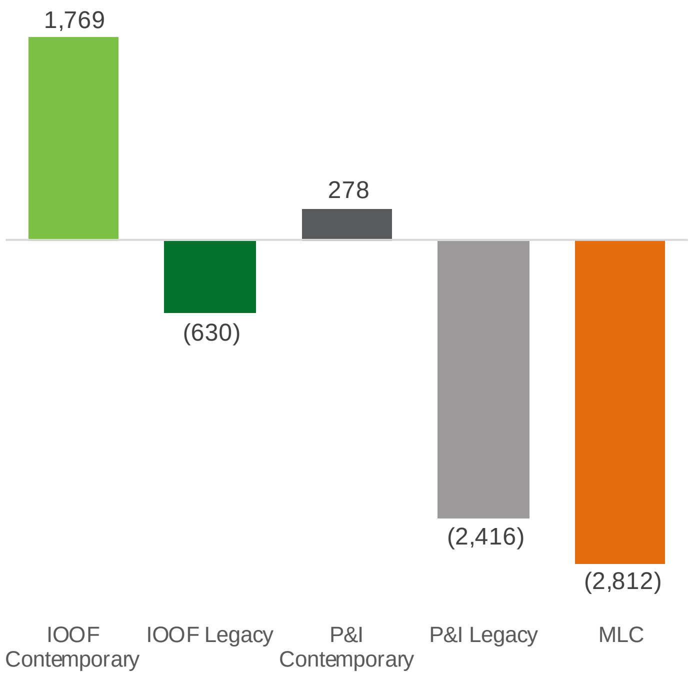
Notes: (1) Opex margin excludes P&I due to consolidation of Platforms and Investments businesses within segment (2) Excludes AET Small APRA Funds (3) Excludes those 3rd party administered platforms (Macq, Hub) and Risk-Only products

Funds Flow: Review – Engage – Grow

GROW

Strategic levers	FY21 actions	Expected outcomes
Functionality improvements	• Investment in enhanced user-experience for Smart Choice.	• Smart Choice products continue net flow positive
	• Ongoing releases of features on the proprietary Evolve platform • Continued roll out of managed accounts functionality across IOOF Evolve and MLC Wrap offers.	• Increasing growth and market share of Evolve based products • In Q421 over 3,000 new accounts on advisory Evolve platforms (ex migration)
Repositioned pricing	• P&I repricing proposal	• Improve retention from existing users • P&I expected to reach net flow neutral in second half of FY23
	• MLC completed a series of re-pricing reviews prior to completion.	• Continued support for existing MLC product initiatives, while MLC product review is completed.
Migration to contemporary platforms	• Evolve21 will upgrade IOOF Legacy product exposure • Upgrade of Integra FY22 to Smart Choice	• More sustainable offering through higher functionality, greater ongoing improvements • Improved retention of members and advisers • Improved economics through lower cost to serve.

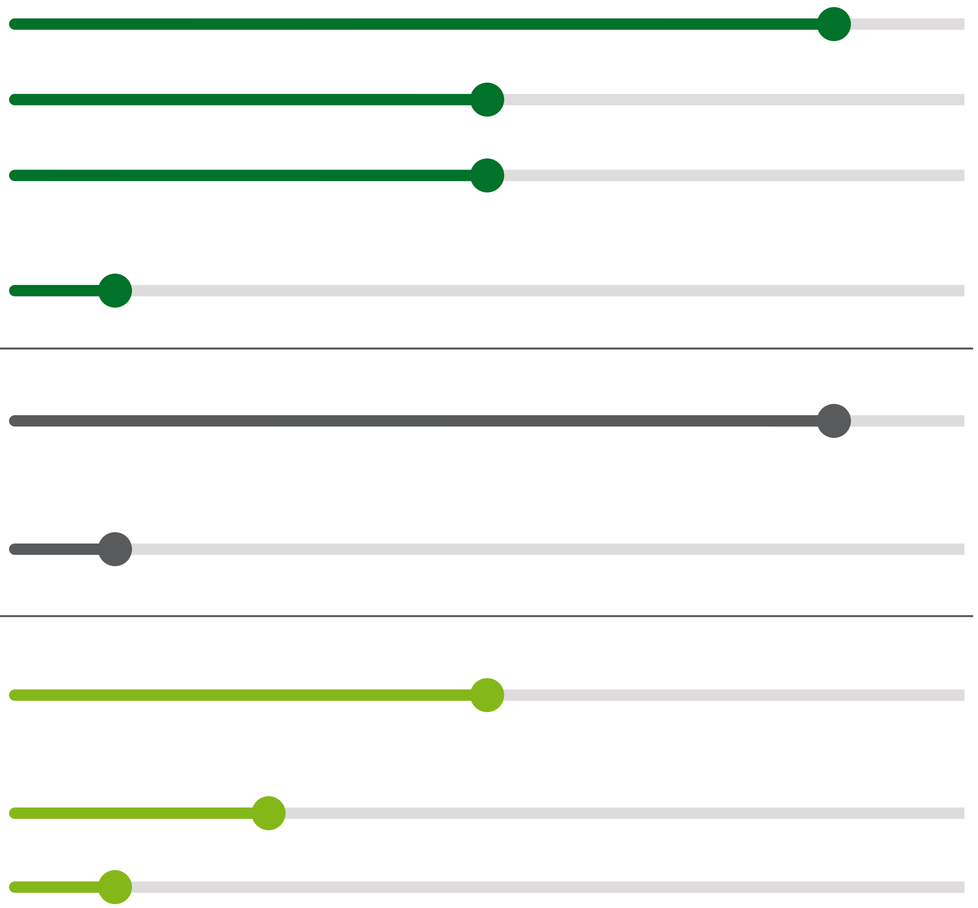
FY21 Net Flows[1]



Notes: (1) MLC flows adjusted for Early Release of Super to show on a comparable basis with other businesses.

Clear priorities delivering superior client outcomes and profitability

	Deliverables	Progress
FOCUS	**Advice 2.0** Building sustainable economic model	
	Integrate MLC into advice model	
	Improving the efficiency of advice delivery	
	Financial wellbeing Empowering Australians through relevant insights	
SIMPLIFY	**Evolve** Simplifying IOOF’s proprietary ecosystem	
	Product roadmap Delivering on product simplification	
GROW	**Scale through Acquisition** Delivering on integration efficiencies	
	Client Engagement and Reputation Growing client base and market share	
	Building a trusted brand	



Thank you

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Appendix

Additional Information

UNPAT adjustments

Amortisation of intangible assets: Non-cash entry reflective of declining intangible asset values over their useful lives. Intangible assets are recognised upon acquisition. Intangible assets (other than goodwill) are amortised over the expected useful life of the asset. The amortisation of software development costs is not reversed in calculating UNPAT.

Unwind of deferred tax liability recorded on intangible assets: Acquired intangible asset valuations for accounting are higher than the tax cost base.
A deferred tax liability (DTL) is required to be recognised as there is an embedded capital gain should the assets be divested which represents the difference between accounting values and tax bases at 30%. The recognition of DTL and subsequent reductions are not reflective of conventional recurring operations and are regarded as highly unlikely to be realised due to the IOOF Group's intention to hold these assets long term.

Transformation and integration costs: As IOOF implements its transformation agenda post completion of the MLC and ANZ One-Path Pensions and Investments (P&I) acquisitions, this category includes transaction costs associated with external advisers, upfront costs of securing finance and internal staff and specialist contractor costs relating to integration. Costs include project labour costs, redundancy and termination costs, IT and other consultancy fees, outsourced hosting services and Adviser recognition program costs which are not reflective of recurring operations.

Impairment of goodwill: Non-cash impairment related to goodwill associated with Shadforth Financial Group, DKN Financial Group and Bridges Financial Services Group. Primarily reflecting the termination of the platform relationship with BT Portfolio Services Ltd in December 2020 and the cessation of grandfathered commission revenue in the advice business.

Evolve: Project labour costs and IT consultancy fees associated with the Group's proprietary Evolve platform project.

Advice 2.0: One-off costs, including legal fees and consultancy fees in connection with the implementation of Advice 2.0.

BT settlement income: One-off settlement income in connection with the termination of the platform relationship with BT Portfolio Services Ltd.

Governance uplift costs: Costs incurred in undertaking projects that are outside the ordinary course of business. Costs predominantly relate to project labour costs and consultancy fees.

Legal provision: Expenditure predominantly in connection with settlement of the judgement in the Kerr v Australia Executor Trustees (SA) Ltd proceedings in excess of amounts covered by the Group's insurance.

Remediation costs: Movements in remediation provisions relating to IOOF's various structured remediation programs other than payments to clients or advisers.

Non-recurring professional fees paid: Payment of specific legal costs that are not reflective of conventional recurring operations. Includes costs associated with assistance with APRA and ASIC related matters.

Termination payments: Represents termination payments to staff due to restructuring activities that deliver long term efficiency gains.

Unrealised loss on revaluation of embedded derivative: Movements in valuation of embedded derivative that forms part of the Subordinated Loan Notes. Gains and losses will be recognised as IOOF's share price moves with reference to the initial reference price on valuation.

Other: Losses on divestment of non-current assets and impairment of customer related intangibles.

Income tax attributable: This represents the income tax applicable to certain adjustment items outlined above.

Statutory NPAT reconciliation

	2021 $'m	2020 $'m
Profit attributable to Owners of the Company	**(143.5)**	**141.2**
Discontinued operations	-	(88.2)
Profit/(Loss) from continuing operations attributable to Owners of the Company	**(143.5)**	**53.0**
Underlying net profit after tax pre-amortisation (UNPAT) adjustments:		
Amortisation of intangible assets	58.9	44.8
Unwind of deferred tax liability recorded on intangible assets	(15.4)	(12.1)
Transformation and integration costs	50.2	19.7
Impairment of goodwill	199.9	4.3
Project Evolve costs	12.6	11.4
Advice 2.0 costs	1.3	-
BT settlement income	(58.8)	-
Governance uplift costs	1.2	4.5
Legal provision	24.3	-
Remediation costs	28.2	1.5
Non-recurring professional fees paid	10.0	6.4
Termination payments	1.1	2.9
Unrealised loss on revaluation of embedded derivative	5.0	-
Other	(2.5)	(0.1)
Income tax attributable	(24.7)	(12.3)
UNPAT from continuing operations	**147.8**	**124.0**
UNPAT from discontinued operations	-	4.8
UNPAT	**147.8**	**128.8**

Advice: Growing a profitable sustainable business model for different client life stages

Professional Services

HNW

shadforth

Goals based advice

Bridges

MLC ADVICE

Self-employed Advice

Specialised model

millennium3 leadership | advice | community

LONSDALE

Holistic advice

RI advice Retirement Advice Specialists

Consultum Financial Advisers

GODFREY PEMBROKE

TenFifty

Self-licensed Advice

Servicing Independent Advisers – no license risk

IOOF Alliances

Adviser Movements	Transformation	FY21 Gross Margin
306 ▲ **69%** • 65 advisers transitioned to self-employed model • 150 joined with MLC Advice	**Advice 2.0** • Bridges now a fully employed network • Target EBIT 30%+ • Lower than expected BOLR spend required[2]	**$108m**
1,047 ▼ **5%** • 256 advisers joined from MLC brands Godfrey Pembroke and TenFifty • 135 adviser reduction since December 2020 through Advice 2.0	**Single client service model** • Implemented consistent professional standards, scorecard and audit processes • Adviser alignment with new Advice 2.0 model	**$25m**
622 ▲ **70%** • 167 adviser relationships joined with MLC Connect	**Servicing Independent Financial Advisers** • With no license risk and significant opportunity to grow • New fee structures rolled out gradually to existing Alliances advisers during 1H21	**$3m**
1,975 Advisers	**Advice 2.0 Delivering Transformation**	

FY21 EBITDA **$20.8m[1]**

Notes: (1) Excluding MLC Advice (2) FY21 BOLR spend: $3.5m, FY22 expected spend: $5.4m, FY23 expected spend $0.6m

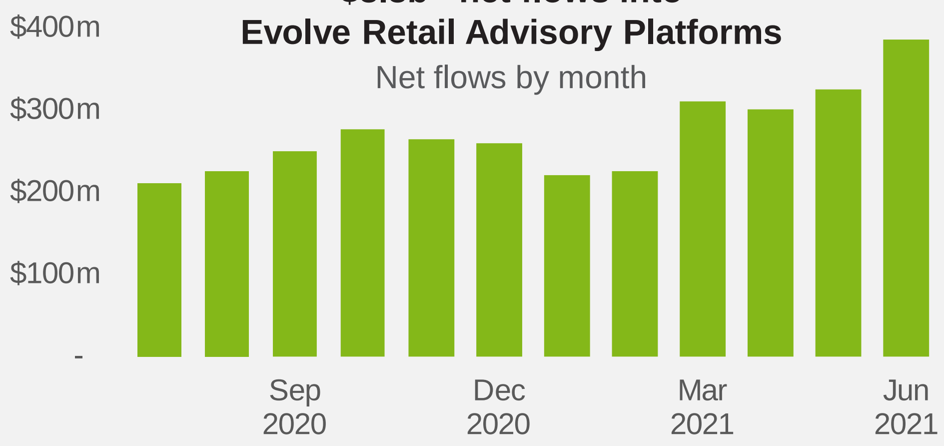
Platforms: The Evolve journey on track and delivering

Organic flows into Platforms

- Strong growth in IOOF Essential/Pursuit Focus baby-wrap offer with inflows +$1b in FY21. Further growth upside expected as advice models are simplified.
- Stabilisation of flagship Personal/Direct offers, net inflow in FY21.
- Enhancements to P&I flagship Employer/Direct ANZ Smart Choice delivered in April 2021.

$3.3b+ net flows into Evolve Retail Advisory Platforms

Net flows by month

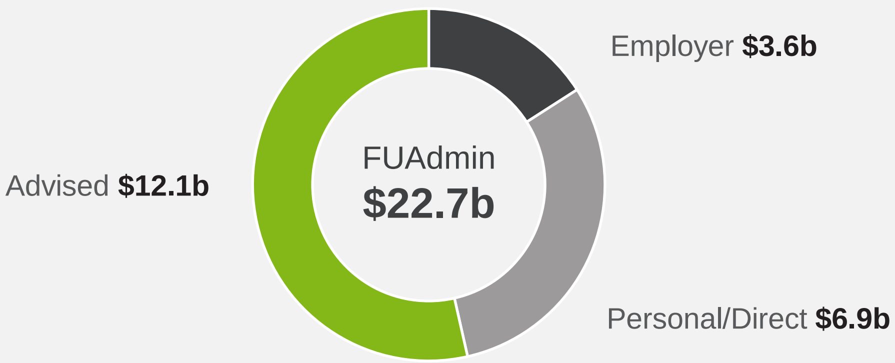


Portfolio & Estate Admin FY21 EBITDA: **$76.3m**

Contemporary, feature-rich, competitive platform at scale

- Evolve21 on track for finalisation by 31 December 2021.
- 38,827 accounts and $5b smoothly transitioned to Evolve in June 2021 – 16 legacy products terminated.
- Evolve advised platforms (SPS, eXpand and IOOF Essential): Over 55,000 client accounts at 30 June 2021, 7,993 new accounts opened during FY21[1] and now supported by 671 licensees.

Evolve: $22b+ FUAdmin, 200,000+ client accounts



P&I FY21 EBITDA: **$118.4m[2]**

Notes: (1) New accounts excluding accounts transitioned through Phase 1 product consolidation (2) Includes bundled investment fees within P&I segment

Asset Management

Key Brands

- IOOF
- MLC
- antares
- FAIRVIEW EQUITY PARTNERS
- JANA
- INTERMEDE INVESTMENT PARTNERS
- PRESIMA

Business Summary

- Strong history spanning over **35 years** of Multi Asset investing
- Significant depth and breadth of **investment capability** across a broad range of asset classes
- **Strong investment performance** across flagship choice funds
- **Strong external ratings and platform representation**
- **Significant scale** in Multi Asset portfolio construction
- Leading **Asset Consulting** capability

FY 21 Achievements – product enhancements & growing footprint

- Several **industry awards conferred on** IOOF MultiMix and MultiSeries ranges
- **Consolidated and simplified** P&I heritage Optimix sector funds with IOOF MultiSeries funds
- **Significant enhancements** to Smart Choice Lifecycle investment strategy
- Transitioned the **MLC MySuper offering** to a new lifecycle offering with 85% exposure to growth assets. Now **ranked 1st quartile** in the SuperRatings SR50 MySuper peer group (rolling 1 year)
- Repackaged MLC Multi Asset investment capability into **new and contemporary vehicles** through the new MLC Core Wrap offering and the launch of MLC Managed Accounts
- **Broadened MLC institutional footprint** with new client flows into our Global Equities and Domestic Fixed Income capabilities
- **Expanded MLC Global Private Equity programme** through the launch of Co-investment Fund III

Business Highlights

$175b	MLC Assets under Management[1]
$57b	Funds under Management[1]
$179b	Multi Asset Portfolios
$53b[2]	Direct Asset Management
$283m	Gross Margin (15 bps)
$51.0m	EBITDA

Notes: (1) IOOF and MLC currently use different reporting methodologies for Funds under Management (IOOF) and Assets Under Management (MLC) (2) Minority interest asset managers recognised at IOOF's equity ownership percentage

MLC Financial Overview:
FY21 Pro Forma 30 June

	FY21[1]	FY20[2]	% Change
Gross Margin ($m)	767.7	820.5	**(6.4)**
Operating Expenses ($m)	(670.3)	(682.0)	**1.7**
EBITDA ($m)	108.5	145.1	**(25.2)**
UNPAT ($m)	81.0	88.7	**(8.7)**
FUAdmin (Close) ($b)	126.0	111.8	12.7
FUAdmin net flows ($m)[4]	(3,467)	(3,419)	(1.4)
AUM[3] (Close) ($b)	175.2	157.6	11.2
AUM net flows ($m)	(2,088)	(6,298)	large

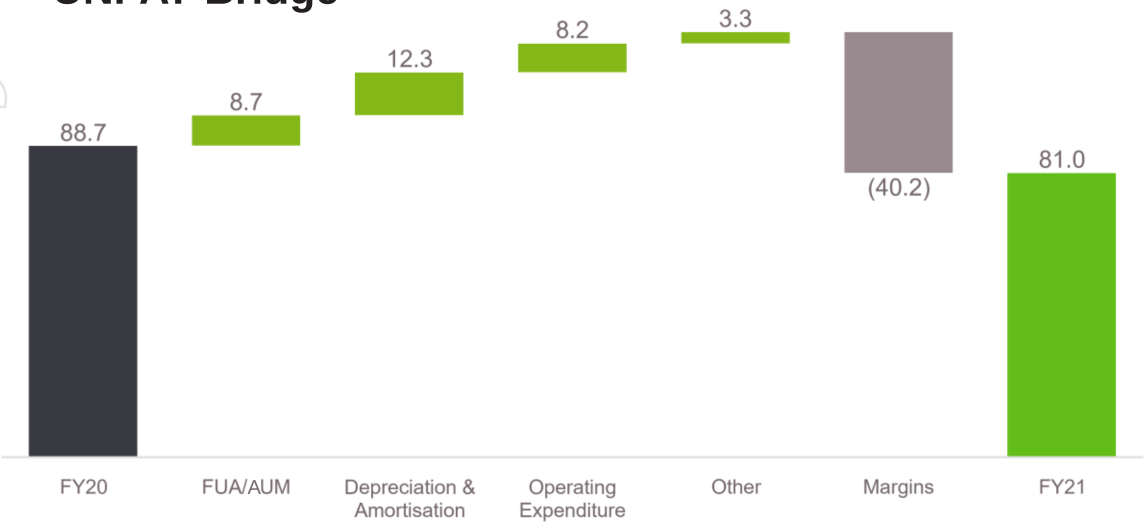
Key Commentary on FY21 Performance

- FUAdmin and AUM benefited from positive market performance in FY21.
- Flows continue to be challenging however MLC Core Wrap flows are strong and Business Super tender appointments show potential for improvement.
- Strategic repricing decisions have impacted margins as products are transitioned to contemporary pricing structures.
- Disciplined expense management continues with further benefits to be realised.

Notes: (1) MLC's pro forma results adjusted to reflect the twelve months ending 30 June 2021. (2) Based on MLC's pro forma Sep-20 earnings reflecting a standalone cost base. (3) Includes funds under management from boutiques on a percentage owned basis. (4) Net flows are inclusive of early release of super payments (FY21: $655m and FY20 pro forma period: $1,223m). (5) More detailed financial information on the MLC business is included in the Investor and Analyst Pack and Investor and Analyst Book.

MLC Financial Overview:
Profit and Expense Analysis (FY20 vs FY21)

UNPAT Bridge



Key Commentary

- Lower margins following pricing decisions taken across Workplace Super, MasterKey Retail and MLC Wrap, as well as legacy platform consolidation. This is partially offset by Asset Management performance fee income. Further margin compression is expected in FY22 mainly due to the full year impact of the FY21 pricing changes and change in product mix.
- Improved markets delivers higher average FUAdmin and AUM balances.
- Favourable depreciation and amortisation resulting from lower capitalised software costs.

Operating Expenditure Bridge

Key Commentary

- Increased labour costs linked to MLC performance framework, partially offset by lower FTE.
- Reduction in property, professional services and IT due to disciplined expense management.
- Lower travel and entertainment mainly due to ongoing COVID-19 restrictions.

Important Disclaimer

Important information

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