

ASX Release 24 February 2025

Iress reports Full Year 2024 Results

Iress delivers strong FY24 financial results and significant operating leverage following successful execution of transformation program

Highlights:

- Completion of transformation program with Iress in significantly stronger position
- Material earnings growth with Adjusted EBITDA of \$132.8m, up 25%, ahead of guidance
- Margin expansion of more than 500bps
- Notably strengthened balance sheet with leverage ratio down from 2.5x to 1.0x over the year
- Reinstated final dividend of 10 cps
- FY25 guidance:
 - NPATA of \$54m to \$62m, 80-106% higher than 2024, and
 - Adjusted EBITDA of \$127m to \$135m, 6-12% higher than 2024 for continuing business¹.

FY24 financial results²

	FY23	FY24	vs pcp
Revenue	\$626.1m	\$604.6m	-3.4%
Operating costs	\$520.0m	\$471.8m	-9.3%
Adjusted EBITDA	\$106.1m	\$132.8m	+25.2%
Adjusted EBITDA Margin	16.9%	22.0%	+501.9bps
NPAT	(\$137.5)	\$88.7m	164.5%
NPATA ³	\$10.3m	\$30.1m	+192.2%
Final Dividend	-	10 cps	-

Iress (IRE.ASX) today announced its financial results for the full year ended 31 December 2024 (FY24).

Commenting on the full year performance, Iress' Group Managing Director & CEO, Marcus Price, said: "2024 has been an outstanding year for Iress with the successful execution of our transformation program delivering significantly improved business performance across all metrics. We delivered earnings that exceeded our guidance range, through a strong focus on capital allocation, operating leverage and financial discipline, while enhancing margins across all business units and driving improved customer sentiment.

"Although our formal transformation program is now complete, we remain committed to delivering further operating leverage while we develop new growth vectors in our core markets. Iress is now a simpler, leaner organisation with a more efficient cost base and stronger balance sheet that provides both capacity and flexibility. Having made the clear strategic choice to focus on our strong key businesses, we are well

¹ Continuing business represents those business units that were in the Iress Group for the whole of 2023 and 2024; TGMD, APAC Wealth, Superannuation, UK Wealth & Sourcing, South Africa and Canada.

² Compared to the prior corresponding period of FY23. Detailed financial results table in Appendix.

³ NPATA represents Reported/Statutory NPAT adjusted for after-tax impairment, write-off and amortisation of acquired intangibles, and gain/loss on sale of assets.

positioned to capture the significant opportunities present in global wealth management, powered by data & AI, while continuing to provide critical trading & market data infrastructure to the industry.”

FY24 financial results overview

Iress delivered Statutory Net Profit After Tax (NPAT) of \$88.7m in 2024, a \$226.2m increase on the prior years' loss of \$137.5m which was materially affected by asset impairments. The Group's preferred business performance measure, Adjusted EBITDA, was \$132.8m and 25% higher versus the prior year.

Operating revenue was \$604.6m, down 3% on the prior year and was substantially impacted by the divestment of non-strategic assets. Revenue increased 4% on a continuing business basis, primarily driven by a 12% increase in revenue for the UK business, representing the strongest growth across Iress Group in 2024. Revenue was broadly flat for the APAC Wealth Management business (APAC Wealth) which was impacted by ongoing industry consolidation, while the Group's Trading & Global Market Data segment (TGMD) delivered a 1% uplift on the prior year.

Operating costs for 2024 were \$471.8m, a significant 9% reduction on the prior year, due to lower FTE and disciplined management of non-wage expenses despite the inflationary environment. On a continuing business basis, operating costs for the Group were 2% lower than 2023 led by a 6% decline in both the TGMD and APAC Wealth businesses.

The Group saw growth across all business lines through the year with Adjusted EBITDA increasing \$26.7m to \$132.8m. The growth primarily emanated from the UK, TGMD and APAC Wealth businesses on the back of a range of transformation activities focused on core products, pricing and productivity and efficiency gains.

Balance sheet and dividend

During the year Iress divested three non-strategic businesses: Platform (April 2024), Pulse (June 2024), and Mortgages (August 2024). More recently, the Group entered into a binding agreement to sell its Superannuation business, with completion expected in the second quarter of 2025.

The proceeds of these divestments made in 2024 have been used to retire debt, considerably strengthening Iress' balance sheet. This has enabled Iress' leverage ratio to be reduced from 2.5x to 1.0x.

As a result of the strengthened balance sheet and improved business performance, the Board has declared a final 2024 dividend of 10cps, 25% franked. The dividend represents a 61% payout of 2024 NPATA, at the midpoint of Iress' target dividend payout range of 50-70% of NPATA. The final dividend is payable on 31 March 2025 to shareholders on record as at 11 March 2025.

Outlook and guidance

In 2025, Iress will continue to invest for growth through focused programs of product innovation in its core businesses as well as accelerating initiatives to capture new revenue streams in data & AI products through expanded partnerships, underpinned by a strong focus on customer experience.

The Group will remain focused on expanding margins while maintaining a disciplined approach to cost management and expects to deliver FY25 Adjusted EBITDA in the range of \$127m - \$135m and FY25 NPATA in the range of \$54m - \$62m.

FY24 Results Investor Conference Call

Investors can participate in the teleconference by registering at <https://s1.c-conf.com/diamondpass/10044193-kj8h7g.html?> Alternatively, if you would like to listen to the audio webcast, please pre-register at <https://loghic.eventsair.com/102698/177976/Site/Register?> Please note, you will not be able to ask questions via the webcast. A recording of the call will be available in the Investor section of the Iress website from 25 February 2025.

Appendix - detailed financial results

	FY23	FY24	% vs PCP
Revenue	\$626.1m	\$604.6m	-3.4%
Staff costs	\$327.4m	\$290.7m	-11.2%
Cost of sales	\$110.0m	\$107.2m	-2.5%
Other operating expenses	\$82.6m	\$73.9m	-10.5%
Operating Costs	\$520.0m	\$471.8m	-9.3%
Adjusted EBITDA	\$106.1m	\$132.8m	25.2%
Adjusted EBITDA margin	16.9%	22.0%	+501.9bps
Underlying NPAT	\$35.9m	\$63.4m	76.6%
Underlying EPS	19.9c	34.3c	72.4%

Note: Prior year Underlying NPAT has been adjusted to conform to Adjusted EBITDA classifications as announced in February 2024.

This announcement was authorised by the Iress Board.

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, superannuation, life & pensions and data intelligence in Asia-Pacific, North America, Africa, the UK and Europe. www.iress.com