

# 2019 results presentation

For the twelve months ended 31 December 2019



# Agenda

Who we are	03
2019 business highlights	08
2019 financial results	12
Segment overview	16
Financial information	25
2020 financial outlook	28
Appendices	29



**Andrew Walsh**

Managing Director & CEO



**John Harris**

Chief Financial Officer

# Who we are



We are a technology company providing software to the financial services industry



Award-winning  
financial software



500,000+ users globally



9,000+ clients



2,000+ people



18 offices



9 countries

## Our mission

To be essential  
and desirable to our  
clients and users.

## Our purpose

We believe technology  
should help people  
perform better every day.

# We help our clients find better ways to:



Manage  
investments



Navigate financial  
markets



Deliver high quality  
financial advice



Simplify mortgage  
applications



Find and compare  
insurance



Administer super funds  
and service members

## Key drivers of growth

Increasing regulatory requirements.

Increasing business complexity and industry change.

Demand for broader integrated solutions to enable client business strategies.

Demand for software that increases efficiency and reduces the cost to do business.

Increasing demand for advice.

## Strategic priorities

Service clients exceptionally.

To be essential to our clients' success through continued product investment.

Identify and deliver scale benefits.

Attract and retain great talent through culture, environment and reward.

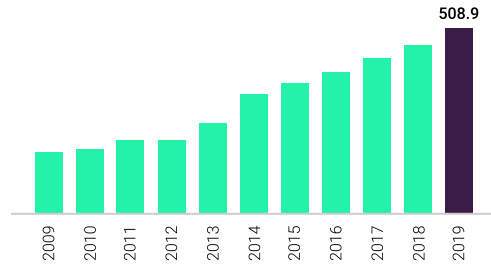
Deliver a compelling solution and user experience.

# Delivering long term growth and sustainable returns to shareholders



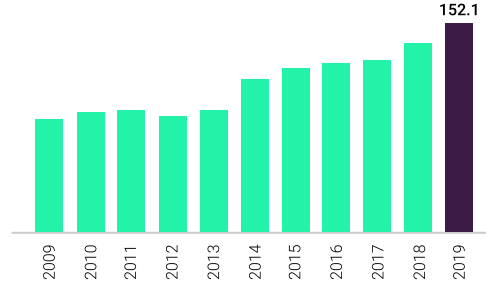
## Operating revenue

AUD(m)



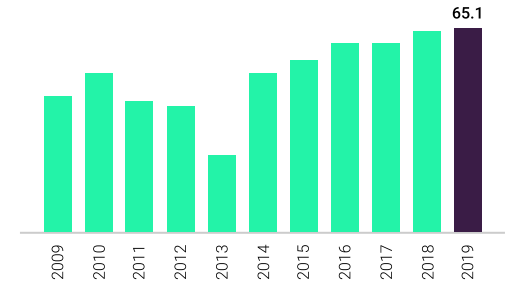
## Segment Profit

AUD(m)



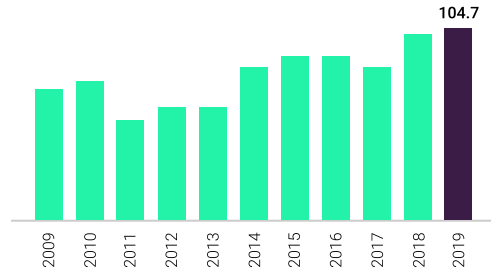
## NPAT

AUD(m)



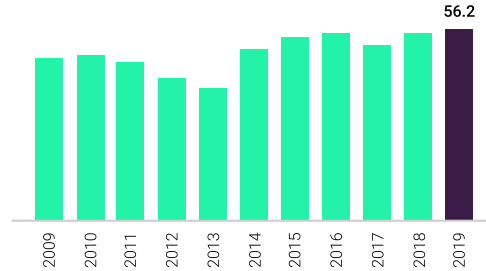
## Operating cash flow

AUD(m)



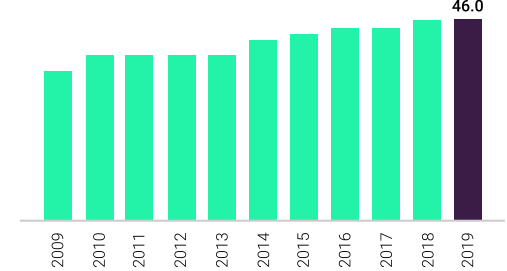
## Underlying earning per share <sup>1</sup>

AUD(¢)



## Dividend per share

AUD(¢)



1. Underlying EPS represents Segment Profit, less operating depreciation, less tax at the effective tax rate for the year divided by the weighted average number of shares outstanding. 2019 also excludes the impact of the acquisition of Quanthouse.



## 2019 business highlights



# Business highlights

## Successful wins & deliveries

Positive momentum in automated super with two client wins.

Delivery to clients across private wealth, financial advice, data, and mortgages.

## Continued strong demand

Increased sales and pipeline of client implementations in private wealth, trading, and mortgages in the UK.

Strong growth in Australian financial advice with ongoing demand for comprehensive and scaled advice software.

## Accelerating data strategy

Acquisition of QuantHouse meets growing client market data needs.

30% increase in revenue for regtech software, Lumen.

## Increasing usability

Global rollout of new navigation for Xplan, driven by Iress Labs.

Iress Open increasing integration options for clients.

## Scale & efficiency

Cloud and continuous delivery driving scale, quality and efficiency.

Leveraging our software across geographies.

# Demand for comprehensive technology as financial advice evolves

Well positioned to continue to lead Australian industry through change.

## Successful transitions

In 2019, we helped over 500 advice businesses set up and move to new Xplan sites in Australia.

## Continued success

Xplan remains #1 (Investment Trends), achieving a top score in 29 of the 34 categories measured.

## Unique offering

Uniquely positioned to provide full and scaled advice for a range of advice providers.

## Automation focus

Automated Personal Advice and scaled software, including for super funds.

## Regtech demand

Demand for regtech software, Lumen, at all levels of the market, giving insight and coverage through data.

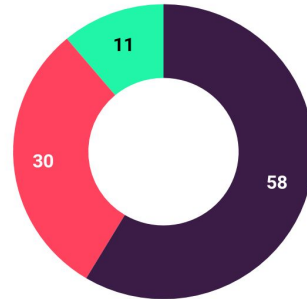
# Data strategy accelerated by recent acquisitions

Clients seeking data for information, compliance, automation and growth.

## QuantHouse (May 2019)

Supports evolving market data needs of Iress clients globally, including flexibility around use of data. Highly complementary to our existing capabilities and international presence

QuantHouse global network and Iress local networks will create broader international low-latency network for clients to access data and trade. Provides scale and capability and expanded coverage for clients.



QuantHouse revenue is allocated across Iress' existing segments based on geography.

● % UK & Europe ● % North America ● % Asia

## BC Gateways (Jan 2020)

BC Gateways' blockchain platform allows data to be distributed in a timely, accurate and auditable way using a 'shared source of truth'.

The platform was the first Australian financial services blockchain to go live.

BC Gateways is currently focussed on helping Australian financial institutions share large volumes of pricing, tax and regulatory data across the investment management value chain.

The application of this blockchain is not limited to Australia.



## 2019 financial results

# 2019 financial highlights



<b>Group</b>	<p><b>Revenue growth: +10% (constant currency: +8%)</b> Strong growth, particularly in the second half, across key businesses in Australia, UK and South Africa, positive contribution from QuantHouse</p> <p><b>Segment Profit growth: +10% (constant currency: +10%)</b> Underlying revenue and margin growth, impact of accounting standard changes</p>
<b>Segment</b>	<p><b>UK &amp; Europe revenue growth: +20% (constant currency +16%)</b> Strong Private Wealth and Sourcing sales and client activity, positive contribution from QuantHouse</p> <p><b>Australian Financial Advice revenue growth: +10%</b> Ongoing demand for software to drive efficiency and manage risk amidst industry change and increased regulatory scrutiny</p> <p><b>South Africa revenue growth: +6% (constant currency)</b> Successful client deliveries and demand across the product range</p>
<b>Fundamentals</b>	<p><b>Strong cash conversion:</b> 87%</p> <p><b>High level of recurring revenue:</b> ~90%</p> <p><b>Conservative gearing:</b> 1.3x Segment Profit</p>
<b>Dividend</b>	<p><b>Full year dividend</b> of 46.0 cents per share, in line with 2018</p>

# Revenue +10%, segment profit +10%, strong second half



\$AUDm - Reported	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Operating revenue	229.7	235.0	464.6	241.8	267.2	508.9	+10%
<b>Segment Profit<sup>(1)</sup></b>	<b>67.5</b>	<b>70.2</b>	<b>137.7</b>	<b>74.1</b>	<b>78.0</b>	<b>152.1</b>	<b>+10%</b>
Segment Profit margin	29%	30%	30%	31%	29%	30%	-
Segment Profit after SBP <sup>(3)</sup>	62.9	64.5	127.3	65.9	68.4	134.4	+6%
<b>Reported NPAT</b>	<b>32.0</b>	<b>32.1</b>	<b>64.1</b>	<b>30.4</b>	<b>34.6</b>	<b>65.1</b>	<b>+2%</b>
Basic EPS ( <i>c per share</i> )	18.9	18.9	37.6	17.7	20.2	37.9	+1%
Dividend ( <i>c per share</i> )	16.0	30.0	46.0	16.0	30.0	46.0	-
Cash conversion <sup>(4)</sup>	99%	89%	94%	100%	74%	87%	(7%)

\$AUDm - Constant currency <sup>(2)</sup>	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Operating revenue	229.7	235.0	464.6	239.5	263.9	503.5	+8%
<b>Segment Profit</b>	<b>67.5</b>	<b>70.2</b>	<b>137.7</b>	<b>73.7</b>	<b>77.2</b>	<b>150.9</b>	<b>+10%</b>
Segment Profit after SBP <sup>(3)</sup>	62.9	64.5	127.3	65.6	67.8	133.4	+5%

Strong underlying performance from wealth businesses in Australia and the UK, particularly in second half.

Group revenue +14%, Segment Profit +11% in 2H19 v pcp.

+10% Segment Profit reflects underlying revenue and margin growth, accounting standard changes

NPAT +11% excluding impact of QuantHouse acquisition and change in accounting standards

Unless otherwise stated all comparisons are with the prior corresponding period on a reported currency basis. Financial information in this report is extracted or calculated from the half year & annual financial statements which have been subject to review or audit.

(1) Segment Profit represents earnings before interest, tax, depreciation, amortisation, share based payments, non-operating items and unrealised FX gains/losses.

(2) Assumes that 2018 and 2019 results are converted at the same average foreign exchange rates used in 2018.

(3) Share Based Payments.

(4) Unlevered, pre-tax operating cash flow / Segment Profit.

# Wealth in Australia and UK driving underlying growth

Segment (\$AUDm)	2018	2019	2019/2018	2019/ 2018
Revenue			Reported currency change	Constant currency change
APAC	252.0	264.5	+5%	+5%
UK & Europe	119.0	142.7	+20%	+16%
Mortgages	28.6	29.0	+1%	(2%)
South Africa	46.5	48.3	+4%	+6%
North America	18.5	24.5	+32%	+26%
<b>Total revenue</b>	<b>464.6</b>	<b>508.9</b>	<b>+10%</b>	<b>+8%</b>
Direct contribution				
APAC	182.3	191.1	+5%	+5%
UK & Europe	78.4	91.9	+17%	+13%
Mortgages	21.6	19.2	(11%)	(9%)
South Africa	35.3	37.5	+6%	+9%
North America	9.6	10.4	+8%	+3%
<b>Total direct contribution</b>	<b>327.2</b>	<b>350.1</b>	<b>+7%</b>	<b>+6%</b>
Functional segments				
Product & technology	(114.1)	(118.6)	+4%	+3%
Operations	(39.7)	(42.7)	+8%	+6%
Corporate	(35.6)	(36.7)	+3%	+2%
<b>Segment Profit</b>	<b>137.7</b>	<b>152.1</b>	<b>+10%</b>	<b>+10%</b>

Note: Constant Currency Change reflects AUD movement assuming 2019 results are converted at average 2018 exchange rates.

Underlying recurring revenue growth driven by Australian Financial Advice, the UK and South Africa.

Positive revenue contribution from QuantHouse.

Strong sales and deployment momentum in Mortgages to drive growth in future periods.

Ongoing focus on cost discipline, efficient software development and deployment.



## Segment overview





Ongoing demand for financial advice software, significant superannuation client wins.

Financial Advice revenue +10% reflects new Xplan implementations, growth in independent licensees, increased software uptake in response to advice, compliance, and data needs. Industry change and uncertainty remains elevated

Superannuation result reflects client regulatory distraction. Strong second half, revenue +7% v 1H19.

Two automated super admin wins including ESS Super will deliver visible future revenue growth.

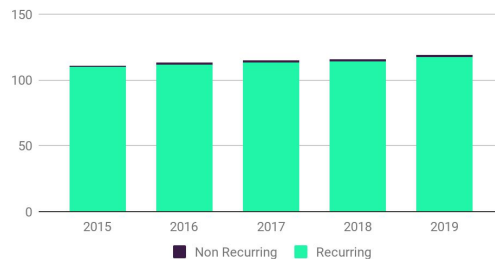
Trading & Market Data revenue resilient. Private Wealth software gathering momentum, JB Were commenced implementation.

Maybank Kim Eng retail trading project continues to progress well in Singapore and stimulating further client opportunities in Asia.

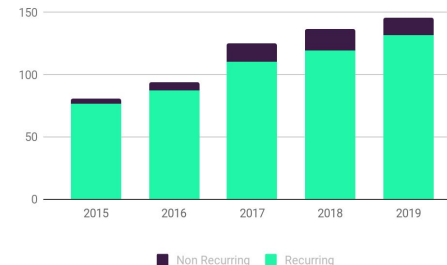
Total revenue ~94% recurring in 2019.

AUD (m)	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
<b>Operating revenue</b>							
Trading & Market Data	56.9	58.7	115.6	58.4	61.0	119.4	+3%
Financial Advice & Superannuation	67.0	69.4	136.4	69.9	75.2	145.1	+6%
<b>Total operating revenue</b>	<b>123.9</b>	<b>128.1</b>	<b>252.0</b>	<b>128.2</b>	<b>136.2</b>	<b>264.5</b>	<b>+5%</b>
Direct contribution	90.2	92.1	182.3	92.3	98.8	191.1	+5%
<b>Direct contribution margin</b>	<b>73%</b>	<b>72%</b>	<b>72%</b>	<b>72%</b>	<b>73%</b>	<b>72%</b>	<b>-</b>

Trading & Market Data

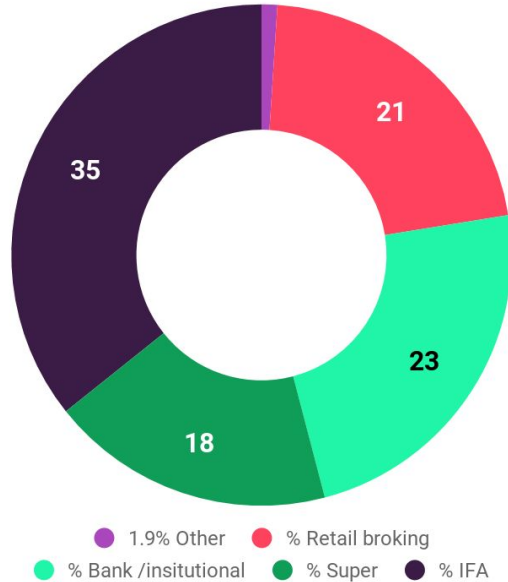


Financial Advice & Superannuation



# Diversity and strength in Australia

Composition of Australian revenue - 2019 (%)



Excludes institutional sell-side, online broking, and institutional buy-side clients.

Iress' retail client base in Australia is well diversified across a range of financial services businesses.

Iress is strategically well positioned for the significant reshaping of financial advice underway where there is a re-weighting to independent advice firms and superannuation.

Ongoing change in the regulatory and operating environment is reinforcing the importance of technology and data for clients to respond, improve customer experiences and achieve business growth.

We anticipate the impact of client decisions and timing during this period will be less predictable.

# UK & Europe



Strong second half. Client delivery and sales success to drive growth in future periods.

Total revenue +16%, reflects ongoing demand for Xplan, Private Wealth, Sourcing, and contribution from QuantHouse.

Underlying UK revenue +6% and Margin +2% v 2018, reflecting client delivery success and improving operational leverage.

Deployment of Private Wealth software to two new tier one clients underway.

Ongoing industry consolidation continues to create opportunities (Wealth and Trading).

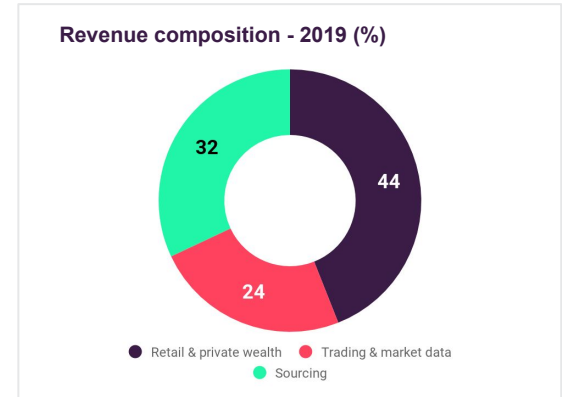
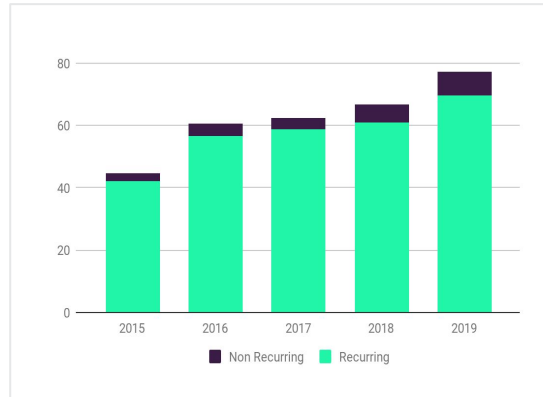
Demand for services including data and business intelligence driving +7% Sourcing growth.

Xplan represents ~27% of UK revenue (excluding QH) reflecting growth in new and existing clients (2018: 24%)

2019 delivery effort and new sales continues successful execution of private wealth strategy. Key driver of medium term growth.

Revenue is ~90% recurring in 2019

GBP (m)	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Operating revenue	32.4	34.3	66.7	35.5	41.9	77.4	+16%
Direct contribution	20.7	23.2	43.9	23.6	26.3	49.9	+13%
Direct Contribution Margin	64%	68%	66%	66%	63%	64%	(2)%
<b>Direct contribution margin excluding QH</b>	<b>64%</b>	<b>68%</b>	<b>66%</b>	<b>67%</b>	<b>69%</b>	<b>68%</b>	<b>+2%</b>



# Mortgages



Strong client delivery progress and sales pipeline.

Strong client pipeline and delivery momentum in 2019 will drive financial results in future periods.

Yorkshire Building Society went live with MSO, positive client feedback.

Delivery to Coventry, Leeds, and Principality Building Societies all progressing well.

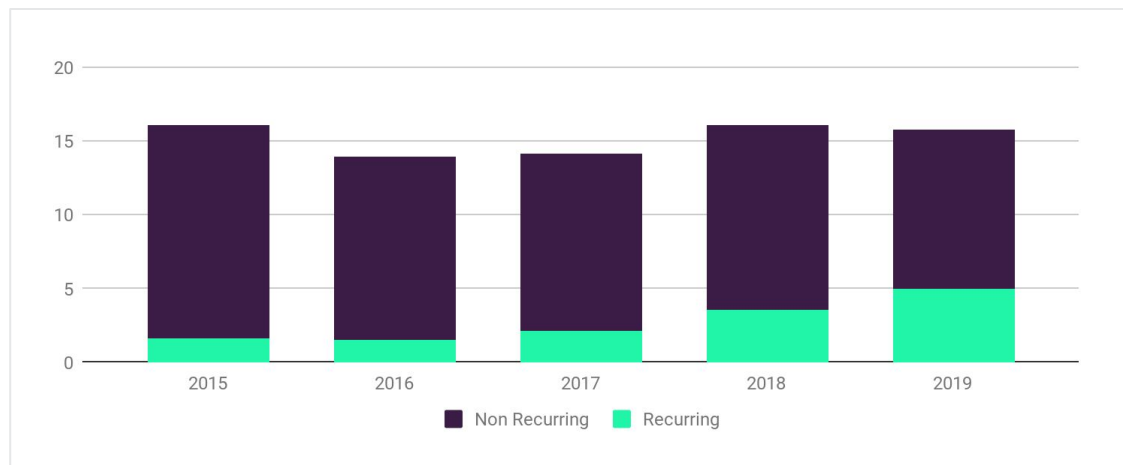
New client, Darlington Building Society won in late 2019, deployment in 2020.

Strong pipeline of UK client opportunities.

Revenue and margins reflect timing and mix of client projects, and investment in Australia.

Transition to a subscription model continues, ~31% recurring revenue in 2019 (2018: 20%).

GBP (m)	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Operating revenue	8.4	7.6	16.1	8.0	7.8	15.8	(2)%
Direct contribution <sup>1</sup>	6.2	5.3	11.5	5.3	5.1	10.4	(9)%
<b>Direct contribution margin<sup>1</sup></b>	<b>73%</b>	<b>69%</b>	<b>71%</b>	<b>66%</b>	<b>66%</b>	<b>66%</b>	<b>(5)%</b>



1. Reported margin in 2018 has been adjusted to reflect a change in cost allocations to enable like-for-like comparison with subsequent periods.

# South Africa



Successful client deliveries and demand across the product range.

Revenue +6% reflects ongoing demand across product range, successful key client deliveries.

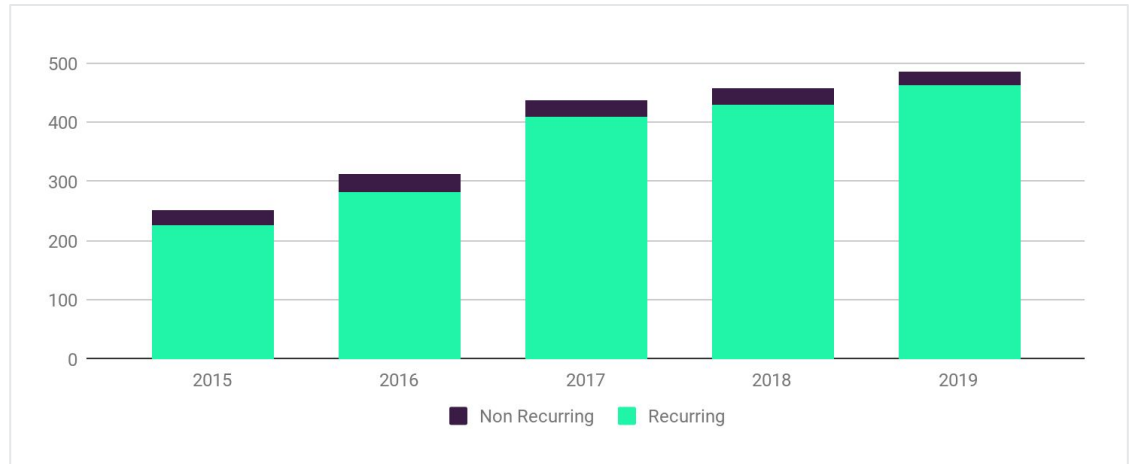
Successful deployment of Trading and Portfolio Management software to Tier 1 financial services firm.

JSE trading and clearing platform (ITaC) went live in April 2019, stimulating product uptake.

Iress Viewpoint rolled out by South Africa's largest online stockbroker.

Local trading conditions and business sentiment impacted trading volumes creating broker cost pressure.

ZAR (m)	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Operating revenue	228.4	228.3	456.7	242.4	242.2	484.7	+6%
Direct contribution	173.0	173.5	346.5	189.4	186.9	376.3	+9%
<b>Direct contribution margin</b>	<b>76%</b>	<b>76%</b>	<b>76%</b>	<b>78%</b>	<b>77%</b>	<b>78%</b>	<b>+2%</b>



# North America



Stable underlying client base. QuantHouse adds market data capability and expands client opportunities.

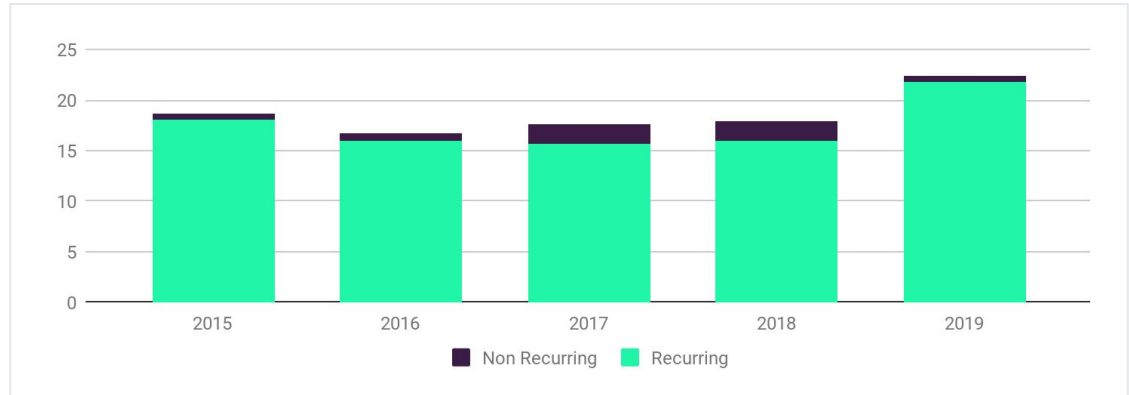
Total revenue +26% reflecting contribution from QuantHouse.

Underlying revenue down marginally, reflecting lower non-recurring revenue and stable underlying recurring revenue

QuantHouse broadens Iress' market data capability and expands opportunities in Canada.

Project to deliver broad retail trading system to a tier one bank to go live in 2020. Further retail trading opportunities emerging.

CAD (m)	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Operating revenue	8.8	9.1	17.9	9.0	13.4	22.4	+26%
Direct contribution	4.5	4.8	9.2	4.0	5.5	9.5	+3%
<b>Direct contribution margin</b>	<b>51%</b>	<b>52%</b>	<b>52%</b>	<b>44%</b>	<b>41%</b>	<b>42%</b>	<b>(9)%</b>
<b>Direct contribution margin excluding QH</b>	<b>51%</b>	<b>52%</b>	<b>52%</b>	<b>46%</b>	<b>52%</b>	<b>49%</b>	<b>(3)%</b>



# Ongoing cost discipline across functional segments



## Product and Technology (P&T)

AUD (m)	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Direct contribution	57.6	56.5	114.1	56.5	61.0	117.4	+3%
<b>P&amp;T costs as % of revenue</b>	<b>25%</b>	<b>24%</b>	<b>25%</b>	<b>24%</b>	<b>23%</b>	<b>23%</b>	

Reported costs declined to 23% of revenue v 25% in 2018 driven by ongoing focus on capability, efficiency, quality and speed.

Excluding the impact of adopting AASB 16 and the acquisition of QuantHouse, P&T costs increased 4% v 2018 primarily reflecting ongoing investment in product, people and delivery capability.

## Operations

AUD (m)	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Direct contribution	20.3	19.3	39.7	19.4	22.7	42.1	+6%
<b>Corporate costs as % of revenue</b>	<b>9%</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>	

Excluding the impact of adopting AASB 16 and the acquisition of QuantHouse, costs were flat with higher people costs offset by savings in communication costs and from the consolidation of offices in Melbourne

Costs are 8% of revenue in 2019, down from 9% in 2018.

## Corporate

AUD (m)	1H 18	2H 18	2018	1H 19	2H 19	2019	2019/2018
Direct contribution	16.7	18.9	35.6	17.5	18.8	36.3	+2%
<b>Corporate costs as % of revenue</b>	<b>7%</b>	<b>8%</b>	<b>8%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	

Excluding the impact of adopting AASB 16 and the acquisition of QuantHouse, costs were flat with higher people costs and insurance costs offset by lower non wage opex and cost savings from office consolidations.

Costs are 7% of revenue in 2019, down from 8% in 2018.

# Changes to reporting segments in 2019



2018 segment name	2019 segment name	Comment
APAC FM	<b>APAC</b>	APAC FM revenue separately reported as “Trading & Market Data”
ANZ WM	<b>APAC</b>	ANZ WM revenue separately reported as “Financial Advice & Superannuation”
UK	<b>UK &amp; Europe</b>	Includes QuantHouse’s European operations
Lending	<b>Mortgages</b>	Iress’ Mortgage Sales & Originations business (no change beyond naming)
South Africa	<b>South Africa</b>	No change
Canada	<b>North America</b>	Includes Iress’ Canadian and QuantHouse’s US operations





## Financial information

# Underlying NPAT<sup>(1)</sup> +11% v 2018

AUD (m)	2018	2019	2019/2018
<b>Operating Revenue</b>	<b>464.6</b>	<b>508.9</b>	<b>+10%</b>
Operating Costs	(326.9)	(356.9)	(9%)
<b>Segment Profit</b>	<b>137.7</b>	<b>152.1</b>	<b>+10%</b>
Share Based Payments	(10.4)	(17.7)	(71%)
Segment Profit after SBP	127.3	134.4	+6%
Non Operating Items	(8.8)	(1.0)	+88%
Unrealised Foreign Exchange Gain/(Loss)	(0.7)	0.5	large
<b>EBITDA</b>	<b>117.9</b>	<b>133.9</b>	<b>+14%</b>
D&A - Operational	(14.4)	(24.1)	(68%)
D&A - Acquisition Related	(12.4)	(13.2)	(6%)
EBIT	91.1	96.6	+6%
Net Interest and Financing Costs	(6.1)	(8.2)	(33%)
Tax	(20.9)	(23.3)	(12%)
<b>NPAT</b>	<b>64.1</b>	<b>65.1</b>	<b>+2%</b>
EPS	37.6	37.9	+1%
DPS	46.0	46.0	-
Effective tax rate	25%	26%	(1%)

## Substantial decline in non-operating costs v 2018.

2019 non-operating items include:

Acquisition and integration costs for Financial Synergy, QuantHouse and BC Gateways

Costs associated with Iress Cloud implementation in line with prior period disclosures

Benefit from the revaluation of the liabilities associated with the earn-outs on QH and Innergi acquisitions

Sublease income (required under AASB 16)

## Other items

Increase in Share Based Payments reflects previously disclosed changes to rem model resulting in accelerated accounting expense recognition and transition of cash STI to equity grants. SBP expense expected to be between \$20m - \$22m in 2020 as transition to new rem model continues.

Increase in D&A driven by new accounting treatment of leases under AASB 16. \$3m underlying increase in operational D&A driven by AWS and new offices. Further investments in office space in 2020.

Underlying interest costs were flat, growth reflects new accounting treatment of leases under AASB 16.

Effective tax rate of 26% reflects tax rates in the jurisdictions in which the business operates.

1. Excludes the impact of adopting AASB 16 for the first time in 2019 and the acquisition of QuantHouse (reported NPAT loss, one-off transaction and integration costs and benefit from the revaluation of the earn-out)

# Strong cash conversion, conservative balance sheet

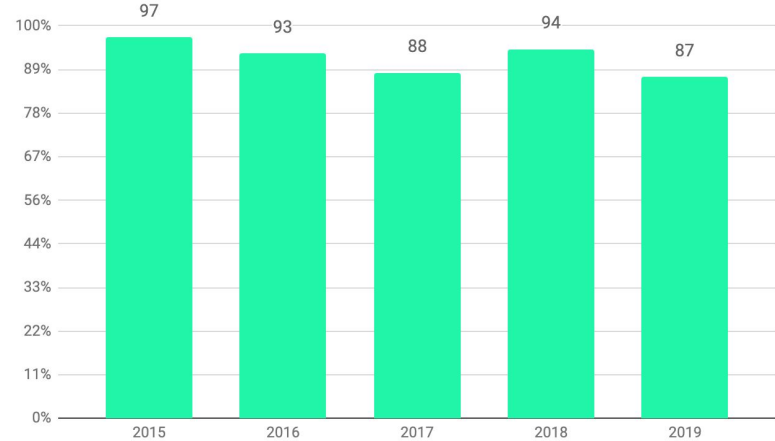


AUD (m)	2018	2019
Total current assets	91.8	115.3
Total non-current assets	604.6	721.7
<b>Total Assets</b>	<b>696.5</b>	<b>837.0</b>
Total current liabilities	58.1	85.6
Total non-current liabilities	218.9	316.4
<b>Total Liabilities</b>	<b>277.0</b>	<b>402.1</b>
<b>Net Assets</b>	<b>419.4</b>	<b>434.9</b>

AUD (m)	2018	2019
Cash	30.2	33.4
<b>Borrowings<sup>(1)</sup></b>	<b>(204.8)</b>	<b>(228.3)</b>
<b>Net debt</b>	<b>174.7</b>	<b>194.9</b>
<b>Leverage<sup>(2)</sup></b>	<b>1.3</b>	<b>1.3</b>

## Cash conversion (%)



**Cash conversion remained strong at 87%**, cash conversion ~90% excluding impact of prepaid costs late in 2019 relating to new AWS capability

**Conservative balance sheet** leverage ratio stable at 1.3x.

**Increase in net debt** from December 2018 reflects the acquisition of QuantHouse.

(1) Measured as borrowings and net derivative assets/liabilities less cash and cash equivalents

(2) Leverage = Net debt divided by LTM Segment Profit

Cash conversion = Unlevered, pre-tax cash generated from operating activities / Segment Profit

## 2020 financial outlook

Iress expects reported Segment Profit growth in 2020 of between 3% and 8% (\$156m - \$164m), on a constant 2019 currency basis, which includes the net impact of recent acquisitions of QuantHouse and BC Gateways.

Execution of medium-term growth opportunities, particularly in super, trading, data, and further scalability, will bring 2020 investment ahead of revenue.

Growth is expected to be weighted heavily to the second half, reflecting the timing of investment, revenue, and client projects.

The role of technology in financial services is increasingly important. However, industry change continues in Australia, with uncertainty elevated in the short term.

Non-operating costs in 2020 are expected to be in the order of \$3.0m-\$6.0m, reflecting workplace investments in the UK and business integration costs.



# Appendices

# Depreciation and amortisation



<b>D&amp;A - Operational</b>		<b>1H18</b>	<b>2H18</b>	<b>1H19</b>	<b>2H19</b>	<b>1H19</b>	<b>2H19</b>	<b>1H21</b>	<b>2H21</b>
Depreciation									
Plant & Equipment		4.2	5.0	5.6	5.8				
Amortisation									
Software (3 <sup>rd</sup> Party Purchased)		2.3	2.8	0.9	0.8				
Leases		-	-	5.4	5.6				
<b>Total</b>		<b>6.5</b>	<b>7.9</b>	<b>11.9</b>	<b>12.2</b>				
<b>D&amp;A - Acquisition Related</b>		<b>1H18</b>	<b>2H18</b>	<b>1H19</b>	<b>2H19</b>	<b>1H20</b>	<b>2H20</b>	<b>1H21</b>	<b>2H21</b>
<b>Computer Software</b>	Avelo	0.6	0.6	0.3	0.2	0.2	0.2	0.2	0.2
	Proquote & Pulse	0.4	0.4	0.3	0.3	0.3	0.2	-	-
	Financial Synergy	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	INET	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
	Lucsan	0.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6
	Quanthouse	-	-	-	1.2	1.0	1.0	1.0	1.0
	Pathways	-	0.1	0.1	0.1	0.1	0.1	-	-
<b>Customer Relationships</b>	Avelo	0.9	0.8	0.9	0.9	0.8	-	-	-
	Financial Synergy	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
	Quanthouse	-	-	-	0.1	0.1	0.1	0.1	0.1
	Proquote & Pulse	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
<b>Brands</b>	Proquote & Pulse	-	-	-	-	-	-	-	-
<b>Total</b>		<b>6.1</b>	<b>6.3</b>	<b>6.0</b>	<b>7.2</b>	<b>6.9</b>	<b>6.0</b>	<b>5.7</b>	<b>5.7</b>

# Impact of FX, AASB16 and QH acquisition by half



	Reported						Currency			Acquisition of QH			Underlying			AASB 16 Adjustments			Adjusted Underlying		
	1H18	2H18	2018	1H19	2H19	2019	1H19	2H19	2019	1H19	2H19	2019	1H19	2H19	2019	1H19	2H19	2019	1H19	2H19	2019
Operating Revenue	229.7	235.0	464.6	241.8	267.2	508.9	2.2	3.3	5.5	3.1	18.8	21.9	236.5	245.1	481.6	-	-	-	236.5	245.1	481.6
Segment Profit	67.5	70.2	137.7	74.1	78.0	152.1	0.4	0.8	1.2	(0.4)	(1.8)	(2.1) <sup>1</sup>	74.0	79.0	153.0	2.6	1.8	4.4	71.4	77.2	148.6
Segment Profit Margin	29%	30%	30%	31%	29%	30%	-	-	-	-	-	-	31%	32%	32%	-	-	-	30%	31%	31%
<b>Growth (%) v pcp</b>																					
Operating Revenue				+5%	+14%	+10%	-	-	-	-	-	-	+3%	+4%	+4%	-	-	-	+3%	+4%	+4%
Segment Profit				+10%	+11%	+10%	-	-	-	-	-	-	+10%	+13%	+11%	-	-	-	+5%	+10%	+8%
Segment Profit Margin				+1%	(1%)	-	-	-	-	-	-	-	+2%	+2%	+2%	-	-	-	+1%	+1%	+1%

(1) QH Segment Loss in 2018 constant currency. Reported Segment Loss in 2019 is \$2.3m

# Impact of AASB16 adoption and acquisition of QH



AUD (m)	2018	2019	AASB 16	QuantHouse Acquisition <sup>(1)</sup>	2019 Adjusted
<b>Operating Revenue</b>	<b>464.6</b>	<b>508.9</b>	-	21.9	<b>487.1</b>
Operating Costs	(326.9)	(356.9)	4.4	(24.1)	(337.2)
<b>Segment Profit</b>	<b>137.7</b>	<b>152.1</b>	<b>4.4</b>	<b>(2.3)</b>	<b>149.8</b>
Share Based Payments	(10.4)	(17.7)	-	-	(17.7)
<b>Segment Profit after SBP</b>	<b>127.3</b>	<b>134.4</b>	<b>4.4</b>	<b>(2.3)</b>	<b>132.1</b>
Non Operating Items	(8.8)	(1.0)	1.6	(0.5)	(2.2)
Unrealised Foreign Exchange Gain/(Loss)	(0.7)	0.5	-	(0.2)	0.8
<b>EBITDA</b>	<b>117.9</b>	<b>133.9</b>	<b>6.1</b>	<b>(3.0)</b>	<b>130.7</b>
D&A - Operational	(14.4)	(24.1)	(5.5)	(0.9)	(17.7)
D&A - Acquisition Related	(12.4)	(13.2)	-	(1.3)	(11.9)
<b>EBIT</b>	<b>91.1</b>	<b>96.6</b>	<b>0.6</b>	<b>(5.2)</b>	<b>101.2</b>
Net Interest and Financing Costs	(6.1)	(8.2)	(1.9)	(0.2)	(6.0)
Tax	(20.9)	(23.3)	0.3	(0.6)	(24.2)
<b>NPAT</b>	<b>64.1</b>	<b>65.1</b>	<b>(1.0)</b>	<b>(4.8)</b>	<b>71.0</b>

(1) Includes one-off transaction and integration costs, revaluation of earn-out and results from operations from 1 June 2019 to 31 December 2019



# Disclaimer



The material in this presentation is intended to be general background information on Iress Limited and its activities, current at the date of the presentation. The information is provided in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not consider the individual circumstances of any particular investor. Prior to making a decision in relation to Iress' securities, products or services, investors or potential investors should consider their own investment objectives, financial situation and needs and obtain professional advice.

The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

This presentation contains forward-looking statements, which may be identified by words such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'plan', 'may', 'could' and similar expressions. Such forward-looking statements are based on Iress' current views and assumptions and involve known and unknown risks and uncertainties, many of which are beyond Iress' control, and which may cause actual results to differ materially from those projected in the forward-looking statements contained in this presentation. These risks and uncertainties could cause actual results, performance or events to differ materially from those expressed or implied. Forward-looking statements contained in this presentation are not guarantees or representations of future performance and should not be relied upon as such. Readers should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Iress undertakes no obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation, subject to applicable disclosure requirements.

For further information visit: [iress.com](https://www.iress.com)



Contact

Andrew Walsh, CEO  
John Harris, CFO

+61 3 9018 5800

[iress.com](https://www.iress.com)

