

Our strategic priorities

We are a forward-looking and ambitious business.

Our objective is to be the best provider of services to the UK pensions market, as a one stop shop for everything Trustees and Employers need in this market. One that offers a clearly differentiated alternative to the Big 3 – able to operate at scale and yet agile enough to provide clients with superior service at better value than our larger rivals.

Our strategy is to deliver our objective, while remaining focused on achieving profitable growth, and is centred around four key pillars.

Regulatory change



Whenever there is regulatory change, our clients need bespoke advice and support. Periods of significant regulatory upheaval are therefore drivers of market growth. Today, more regulatory change is taking place, or is in the pipeline, than at any time in the past 20 years.

Progress

We helped our clients to adapt to the Pension Schemes Act 2021 and we continued to develop solutions in line with the evolving funding regulations. We helped our clients navigate the LDI crisis in autumn 2022. Our market-leading approach on GMP won us wide-ranging mandates including on some large schemes outside of our existing client portfolio.

Priorities for FY 2024

- Ensure clients are prepared for the upcoming Single Code of Practice, focused on trustees' governance requirements.
- Continue roll-out of GMP equalisation solution.
- Offer enhanced LDI reporting and oversight service to schemes that are not clients.

Key risks

- Third party supplier/outsourcing
- Strategy
- Errors
- Theft and fraud

61

phase 1 GMP equalisation reports issued

£7.4m

revenue from GMP equalisation work

Expand services



We provide a full range of services that pension trustees and corporate sponsors need. But for many clients, we only provide one service and could deliver more. Expanding our current service offerings to existing clients represents a significant opportunity, as does developing new services that help deliver better outcomes for members.

Progress

We materially strengthened our offering in the area of employer covenant advice, a key service required by all pension trustees, through the acquisition of Penfida. We grew our risk transfer team significantly, with the new head of this team who arrived at the start of the financial year overseeing further senior hires which combined with training of existing XPS staff more than doubled our team in this area. We continued to invest in data analytics, and established a dedicated team in this area. We also invested in the provision of services to insurers, establishing a multi-disciplinary team to pursue opportunities in a co-ordinated way.

Priorities for FY 2024

- Continued growth of our de-risking practice including delivering large insurance transactions.
- Continued growth in Trustee Governance Services.
- Expansion of services into support required by insurers and expansion of our data analytics capability.

Key risks

- Strategic planning and execution
- Financial performance
- Information/cyber security
- Staff/human resources
- Client engagement
- Business conduct and reputation

46

number of risk transfer engagements during the year

£6.4m

revenue from risk transfer engagements (76% growth year on year)

Grow market share



We seek to grow our business by winning 'new logo' clients – those pension schemes and sponsors with whom we have no existing relationship.

Progress

Our Market Force Initiative generated multiple new business leads from the large pension schemes targeted. Several of these were converted during the year in both advisory and pension administration including Mencap, GoAhead, Fiat, Jacobs.

Priorities for FY 2024

- Continue roll-out of Market Force Initiative to grow and convert new business pipeline.
- Maximise opportunity to win new investment consulting clients in wake of LDI fallout.
- Focus on first time outsourcing and public sector opportunities within Administration.

Key risks

- Strategy
- Errors
- Third party supplier/ outsourcing
- Strategic planning and execution

17%

Organic revenue growth

81+

Client schemes with over £1 billion assets

Mergers and acquisitions



We operate in a fragmented market. Being one of the largest mid-tier independent companies in the sector, there is an opportunity to grow our market share through the acquisition of businesses that can boost our scale and capability in certain specialist areas.

Progress

Acquisition of Penfida Limited, a long established covenant advisory business with a strong market position. The acquisition complements our existing capabilities and expands the reach of our offering to a wider base of clients.

Priorities for FY 2024

- Fully integrate Penfida Limited and expand provision of covenant advisory services for more XPS clients.
- Continue to evaluate potential acquisitions that meet investment and strategic criteria.

Key risks

- Financial performance
- Business conduct and reputation

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Bolt-on transactions in the last 5 years

£26m

Earnings enhancing capital deployed