

22 October 2020

XPS Pensions Group plc

Pre-close trading update

XPS Pensions Group plc (“XPS” or the “Group”) is pleased to provide its pre-close trading update for the six months ended 30 September 2020.

The performance of the Group in the first half of the year was in line with the Board’s expectations with total revenues growing 9% year on year. Excluding the contribution from acquisitions, revenues grew by 6% in the period, with revenue growth for the full year likely to be slightly more weighted towards the first half than normal.

The Pensions Actuarial & Consulting business grew by 4% year on year, Pensions Administration business grew by 13% and the Pensions Investment Consulting business grew by 29%. Pensions Investment Consulting has been buoyed by project work as a direct result of COVID 19 related market volatility. As expected, revenue in the SIPP business was down 7% year on year, reflecting the reduction in bank base rate.

The National Pensions Trust (‘NPT’) business has performed well with revenue growing 27% year on year with a faster-than-expected recovery in asset prices, as well as additional asset transfers in H1, contributing to the growth. Earlier this month, assets under management within the NPT business crossed the £1 billion threshold, an important milestone in the master trust market.

The Group has adapted well to working from home in response to the COVID 19 crisis and continued to serve clients very well across all divisions. As previously guided, new business pitches within the Pensions Actuarial & Consulting business have slowed as a result of the pandemic which will translate in to modestly slower organic revenue growth in the second half of the year. Despite that, all our client SLAs have held up very well and our Pensions Administration business won Third Party Administrator of the year for the second year running at the UK Professional Pensions Awards. The Group also won Employee Engagement firm of the Year at the UK Employee Engagement Awards, in recognition of the strong culture we have built at XPS.

The Board is pleased with the Group's first half performance and anticipates that the results for the full year will be in line with its expectations.

Paul Cuff, Co CEO commented:

“The first half of the year was spent in some form of lockdown, with our people having to adapt to a model of almost entirely remote working. I am extremely proud of the resilience we have shown and the way that we have continued to serve our clients very well throughout the period, and I would like to thank all of our staff for the incredible support they have shown both to clients and each other.

Our results bear testament to the resilience of our business model. The organic growth across all of our Pensions divisions is particularly pleasing, with this in part due to clients won in the second half of last year coming on stream. As previously highlighted, we saw a slowdown in new business opportunities in Pensions Actuarial and Consulting during the early months of lockdown as tender processes were put on hold, although more recently there are signs that they are starting to pick up again and our other divisions continue to perform well.

The NPT trading performance in the first half of the year and the passing of £1bn of assets in recent weeks is also pleasing – this is an important milestone in the master trust market and we will continue to invest in this platform for the future.”

Analyst and Investor Presentation

XPS Pensions Group plc expects to report its half-year results to 30 September 2020 on 26 November 2020.

A presentation will be held for equity analysts and investors at 9:30 a.m. on 26 November 2020 via a Zoom webinar. Those analysts and investors wishing to attend are asked to contact Nick Hennis at Camarco on +44 (0)20 3781 8330 or at nick.hennis@camarco.co.uk

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Notes to Editors:

XPS Pensions Group plc is the largest pure pensions consultancy in the UK, specialising in pensions actuarial & consulting, investment consulting and pensions administration. The XPS Pensions Group business combines expertise, insight and technology to address the needs of both pension trustees and sponsoring companies for over 1,500 pension schemes on an ongoing and project basis. These clients include 25 schemes with over £1bn of assets, and we undertake pensions administration for over 900,000 scheme members.