



Evolve
Capital Partners

IntegraFin Holdings, plc.

February 2018

Summary of Initial Public Offering



**SPECIALIZED INVESTMENT BANKERS AT
THE INTERSECTION OF FINANCE & TECHNOLOGY**

IntegraFin IPO – Executive Summary

Initial Public Offering Overview



LSE: IHP



Description

IntegraFin provides a leading open architecture platform, Transact, to UK-based financial advisors and their clients. Through proprietary technology, IntegraFin offers premium customer service, a wide range of tax wrappers, and an extensive choice of assets.








Transact enables advisors to consolidate their clients' investments using tax efficient wrappers and gives them a wider range of investment choices.



Use of Proceeds

The move is aimed at enabling selling shareholders to recover their investments in part or in full; creating a liquid market for continuing shareholders; and providing the company an option of raising public money, if required, to aid future growth.

Source(s): IntegraFin website, Capital IQ

	Headquarters	London, UK
	Founded	1999
	Employees	451
	Offering Date	02/27/2018
	Lead Underwriter	PEEL HUNT
	Issue Price	\$2.72 (£1.96)
	Shares Offered	90 million
	Gross Proceeds	\$247 million (£178 million)

IntegraFin IPO – Executive Summary

Key Metrics – IPO

Shares Offered through the IPO	90 million
Issue Price	\$2.72 (£1.96)
Total Shares Outstanding after the IPO	331 million
Market Value ⁽¹⁾	\$900 million (£650 million)
Enterprise Value ⁽²⁾	\$763 million (£546 million)
EV / Revenue ⁽³⁾	6.3x
Offering Date	02/27/2018
Listing Price	\$3.45 (£2.50)
Listing Premium	\$0.73 (£0.54)

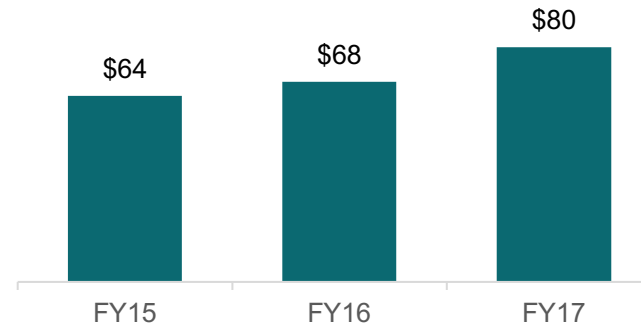
Source(s): Capital IQ, Pitchbook, Media Reports

⁽¹⁾ Market Value has been calculated as Issue Price x Total Shares Outstanding after the IPO.

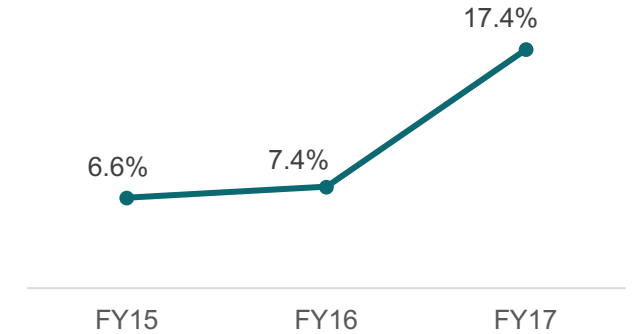
⁽²⁾ Enterprise value is based on the calculated Market Value at Issue Price and preferred equity, debt and cash as of March 31, 2018 taken from Capital IQ.

⁽³⁾ LTM Revenue has been taken as of March 31, 2018

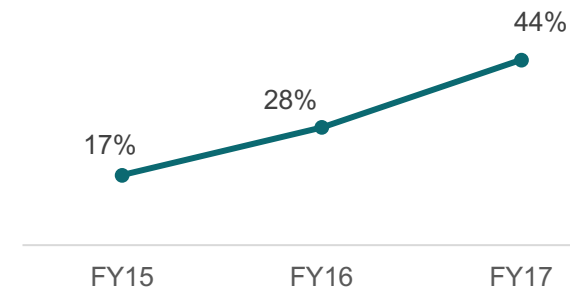
Total Revenue (\$mm)



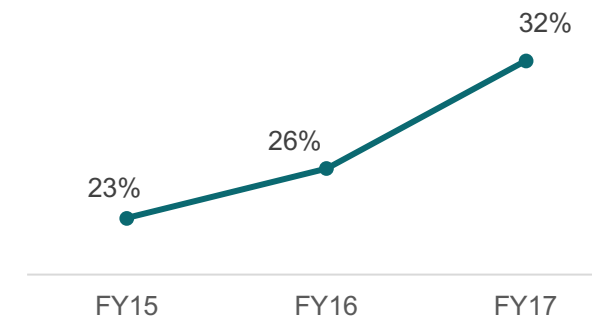
Revenue Growth (%)



Net Income Growth (%)



Return on Equity (%)



IntegraFin IPO – Executive Summary

Business Overview

IntegraFin's flagship platform, Transact, has been consistently voted **the UK's #1 investment platform** by advisors across both Investment Trends and CoreData quantitative research studies.

IntegraFin Group

- IntegraFin was incorporated in 2014 as the holding company of a group including Transact, one of the largest independent wrap platforms in the UK.
- Integrated Financial Arrangements Ltd (IFAL), a wholly owned subsidiary of IntegraFin, was established in the UK in 1999 and operates the Transact wrap service.
- Using its own in-depth knowledge of the UK retail financial services market, and supported by proven technology and systems already developed and pioneered in Australia, Transact was launched in 2000 as the UK's first integrated portfolio service.
- IntegraFin's head office is based in London. The company has regional sales teams throughout the UK, as well as teams of software developers based in London and Melbourne (Australia).

155,000



Number of investor clients
on IntegraFin's platform

£29bn



Funds under direction
on IntegraFin's platform

5,200



Number of financial advisors
using Transact

8,000+



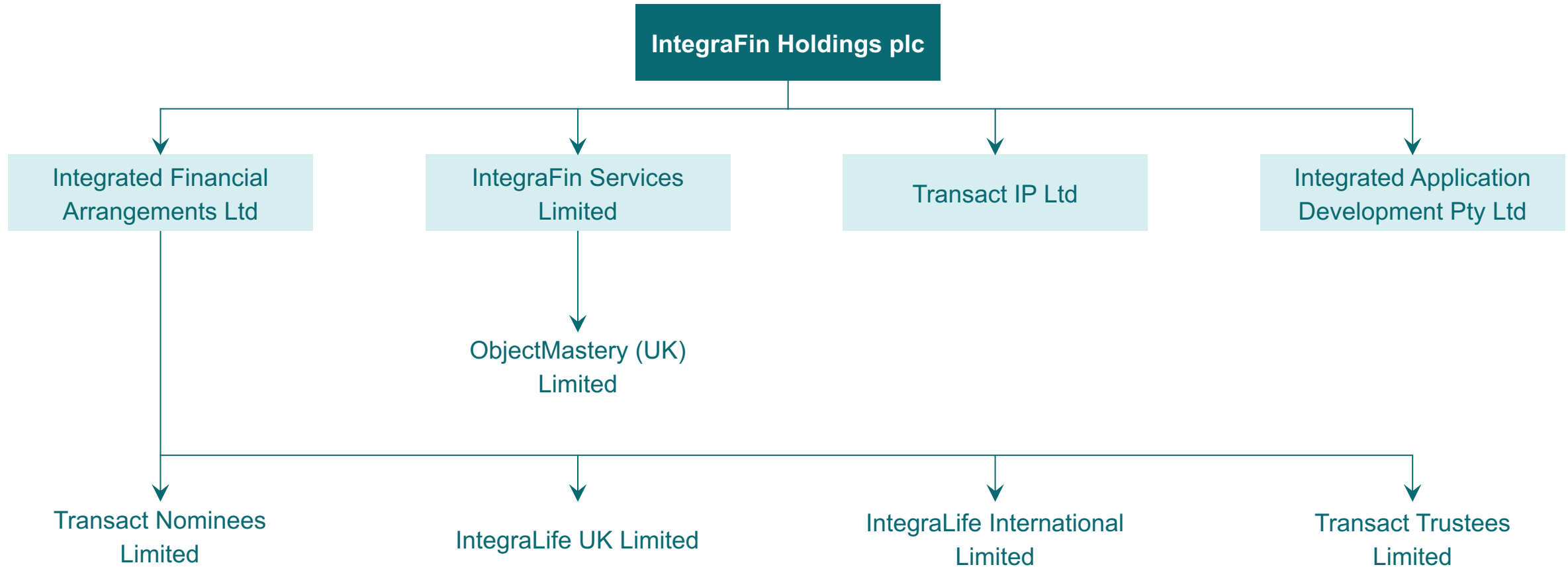
Number of funds, bank term
deposits and assets that can
be accessed through Transact

Source(s): IntegraFin website

IntegraFin IPO – Executive Summary

Group Structure

The operating entities within the IntegraFin Group offer a range of services which are designed to help financial advisors and their clients manage financial plans in a simple, effective and tax-efficient way.



Source(s): IntegraFin website

IntegraFin IPO – Executive Summary

Group Structure

Entity Name	Business Description
IntegraFin Holdings plc (IntegraFin)	The holding company and parent of the overall group.
Integrated Financial Arrangements Ltd (IFAL)	Provider of the Transact wrap service. It is authorized and regulated by the Financial Conduct Authority (FCA). This entity is the provider of the General Investment Account (GIA), is a Self Invested Personal Pension (SIPP) operator, an ISA manager and the custodian for all assets held on the platform (except for those held by third-party custodians).
IntegraFin Services Limited (ISL)	Provides personnel and certain services to the IntegraFin Group, including administration services and support, and maintenance for the Transact platform.
ObjectMastery (UK) Limited	A wholly-owned subsidiary of ISL. It is an unregulated private limited company.
Transact IP Ltd (TIP)	Holds all Intellectual Property (IP) rights on behalf of the Transact platform.
Integrated Application Development Pty Ltd (IAD)	Develops the technology behind the Transact platform and the IntegraFin Group.
Transact Nominees Limited (TNL)	Holds the legal title to assets held in all wrappers with Transact as a wholly-owned subsidiary of IFAL.
Transact Trustees Limited (TTL)	Holds all term deposits in trust for clients of all wrapper types as a wholly-owned subsidiary of IFAL.
IntegraLife UK Limited (ILUK)	A domestic insurance company which provides the Transact Personal Pension, Executive Pension, Section 32 Buy-Out Bond, Transact Onshore Bond and Qualifying Savings Plan on the Transact platform.
IntegraLife International Limited (ILInt)	An international insurance company which provides the Transact Offshore Bond.

Source(s): IntegraFin website

IntegraFin IPO – Executive Summary

Transact Platform Overview

Description

- Transact was created to provide advisors the ability to consolidate their clients' investments using tax efficient wrappers and also offer a wider range of investment choices.
- The platform offers financial advisors and their clients a comprehensive financial planning infrastructure for investing assets in a tax-efficient way.
- It is an open-architecture platform that allows advisors to choose from a wide range of funds and investment wrappers. Advisors also have access to nearly 16,000 assets, including OEICs and Unit Trusts, as well as bank term deposits and securities traded on major stock exchanges.
- In certain cases, the platform can be linked to providers of financial planning tools and technology to enhance end-to-end portfolio management.
- These tools include linking to a wide range of back-office system providers, cash flow modeling, trust service providers, third-party Discretionary Investment Managers, Self-Invested Personal Pension providers, and more.

Source(s): IntegraFin website

Transact Provides Users:

- An efficient way to invest and manage client assets
- A simple way to maintain client records
- A wide range of tax wrappers
- Access to over 8,000 funds, plus bank term deposits and assets listed on major stock markets
- A high-touch client service team

Recent Awards & Recognitions

- **Best Advisor Platform over £10bn** – Plaforum (2018)
- **Best Platform for Advisors (AUA above £15bn)** – Professional Advisor (2018)
- **Best Overall Platform** – Investment Trends (2017)
- **Investment Innovation Award** – FT Adviser Online Innovation and Service Awards (2017)
- **5 Star Investment Provider** – Financial Advisor Service Awards (2017)
- **5 Star Investment Award** – FT Adviser Online Innovation and Service Awards (2017)

IntegraFin IPO – Executive Summary

Market Opportunity

The UK wealth management market is snowballing and advisors are increasingly adopting fintech platforms

- Fund platforms are by far the most important distribution channel for retail funds. At the end of 2016, they channeled £87 billion of gross retail sales, making up 47% of the total (£184 billion). They became particularly prominent following the Retail Distribution Review in 2012 and have been close to the 50% mark ever since.
- Net retail sales made directly with the fund management company were negative at £4.5 billion in 2016. This was the third year in a row that direct sales were negative. It's not surprising because non-advised investors have many more options to invest their money than they used to. These choices are predominantly due to improvements in technology and the rise in number of platforms.
- Direct sales have been increasingly crowded out by other distribution channels in recent years, especially by platforms. The UK advisor platform market has been growing strongly, delivering an overall CAGR of FUD of close to 20% from 2011 to 2016.
- Future growth is expected to be driven by supportive structural factors, including the growing demand for financial advice due to an increasingly complex investment landscape, pension freedom reforms and strong growth drivers in the UK wealth management market.

IntegraFin plans to leverage these market opportunities through a strategy that rests on five key principles:



Sole focus on the UK intermediate retail investment market



Owned and in-house developed software to continuously innovate and quickly adapt to market and regulatory changes



Premium service through a high-touch client service team



Highest standards of operational excellence and fast and accurate implementation of instructions



Transparent pricing and a sustainable business model

Source(s): IntegraFin prospectus and "Asset Management in the UK 2016-2017" – The Investment Association

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