

PRESS RELEASE

Embark Group reports 15% Organic Growth and 450% increase in Adjusted Earnings in 2019

18 May 2020

The Embark Group (“Embark”) today reports its consolidated annual results for the year ending 31 December 2019. The period brought accelerated organic growth and improved operational performance for Embark, alongside three material acquisitions and two successful growth capital raises, which combined raised a gross £84.5m to wholly support inorganic acquisitions.

The reported 2019 growth performance within the published accounts, however, are wholly organic and do not take into consideration the positive impact of the previously reported acquisitions. These will impact 2020 forward reporting.

The headline performance from the Group in 2019 is as follows:

- 15% increase in client volume to 159.4k, up by 20.2k year on year, and strongly driven new SIPP business
- 10% increase in Assets Under Administration to £16.2bn
- 5.4% increase in revenues to £33.5m
- 126% increase in Net Assets on the balance sheet to £30.7m, including an 88% increase net cash at bank
- Embark Group’s core operating subsidiaries all maintained their ‘B’ strong independent financial strength rating from AKG

Two of the three major acquisitions announced by Embark during the period included strategic purchases in the platform sector, bringing the intermediated business of Alliance Trust Savings (“ATS”) and the retail platform business of Zurich UK into the Group. As part of the latter deal, Embark diversified into multi-asset fund management through the acquisition of Zurich Investment Services. This has resulted in a greater balance between Embark’s bespoke pension and wrap platform scale and has significantly extended Embark’s distribution reach.

As of the 1st May 2020, this combination of activities has driven the business forward at a pro-forma level to over £33.1bn of Assets under Administration (AuA) and Net Cash up to £45.9m, up 204% and 319% respectively since year end 2019.

2019 also saw a material progression within Embark Group’s shareholder base, with the addition of major long-term capital investments from Blackrock, Legg Mason and Merian Chrysalis plc, alongside FNZ Group. This has been further enhanced by the addition of Franklin Templeton Global Investors in the first half of 2020.

David Etherington, Non-Executive Chairman, Embark Group, commented: “We are very pleased to have continued our accelerated momentum of the previous few years. The ability to grow simultaneously through organic and inorganic activity marks our business out amongst its peers. We are now exceptionally well positioned in the sectors in which we operate, despite the ongoing uncertainty as a result of the Covid-19 crisis.”

Phil Smith, Chief Executive, Embark Group, commented: “This is another positive set of results as we see further evidence of our strategy bearing fruit through strong organic new business growth, our capture of B2B distribution partnerships, our demonstrated ability to raise capital from tier 1 investors, and our ability to execute inorganic deals. To have hit £33bn from a standing start just seven years ago is a testament to our great people.”

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Editors' notes

For further information, please contact:

Quintin Keanie

The Agency Partnership (Embark Media Relations)

Email: quintin.keanie@theagencypartnership.com

Tel: 07880 602902

About Embark Group

Embark Group is a full-scale UK retirement solutions provider, active in the areas of Investment Platform, SIPP, SSAS, Fund Research and Employee Benefits Consulting. The Group trades under the brands Embark, Vested, Rowanmoor and The Adviser Centre. It also operates a wide portfolio of white label services for business such as RBS Coutts, Standard Life, Nutmeg, BestInvest, Charles Stanley, Moneyfarm and Wealthsimple. Businesses within the Embark Group have been established in the market for more than 40 years and have a long history of working closely with intermediary distribution partners and consumers of all levels of affluence.

The Group now has more than £33bn in assets under administration on behalf of c360,000 consumer clients, operating across nine UK locations (London, Bolton, Dundee, Edinburgh, Leeds, Leicester, Milton Keynes, Salisbury and Swindon)

Embark has been recognised as one of the most innovative Wealth Tech companies in 2019 and 2020.

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