

## PRESS RELEASE

### EMBARK PENSIONS ANNOUNCE ITS 2019 RESULTS, REPORTING A 13.9% INCREASE IN CLIENT NUMBERS, A 6.8% INCREASE IN FEE REVENUES, AND SOLID NET OPERATING PROFIT

Release date: 23<sup>rd</sup> March 2020

The Embark Group ('Embark') is pleased to announce the financial results for Embark Pensions, the division that includes each of its bespoke pension subsidiaries, namely Embark Services Limited ('ESL'), EBS Pensions Limited ('EBSL'), Rowanmoor Personal Pensions Limited ('RPPL'), and Rowanmoor Executive Pensions Limited ('REPL').

Each of these businesses have been on a multi-year transition from their individual origins, as full Self-Invested Personal Pension (SIPP) and Small Self-Administered Scheme (SSAS) administrators, to being a combined pensions specialist able to deliver pensions solutions across the self-invested spectrum, using enabling digital technologies. The underlying goal is to lead the UK market in this area, whilst delivering consistent risk-weighted returns to our parent Group.

Solid progress was again made in 2019 as highlighted by the following:

- Material growth in digital business, marginally offset by a controlled decline in complex pension products, resulting in a peer-beating net increase in scheme numbers of **3,824** for the year (up **13.9%**). The Group now operates pensions on behalf of **59.5k** self-investing clients.
- Revenues increased **6.8%** to **£29.8m** for the full year, strongly driven by positive momentum across our B2B digital distribution client base, which offset revenue reductions from our reduced exposure to the more complex part of the market, which typically yields large fees per scheme.
- Net Operating Profit at **£2.32m**, down only 6.1% on 2018 excluding one-off gains, despite the material increases in industry-wide risk costs impacting this sector. The ongoing strong investments made in 2019 into technology and infrastructure have enabled the business to operate normally via 100% remote working through the COVID-19 crisis.
- Continued strengthening of free cash flow, tier 1 liquidity, and regulatory capital of each underlying business, which has supported the continuity of our independent '**B Strong**' AKG Financial Strength rating.
- Entering into a 10-year strategic partnership with Delta Financial, the leading provider of technology to the bespoke SIPP and SSAS market.

The 2019 performance year was the first since 2015 that this segment did not benefit from inorganic expansion, resulting in a 100% organic performance forming the base of these results. The market was abound with acquisition opportunities during 2019, and continues to be so, however we do not see acquisitions in the bespoke SIPP or SSAS market offering value to us looking forward.

Trading for Q1 2020 continues to show similar progression, with strong underlying client growth and profit performance for the year to date.

**Paul Downing**, Chief Executive of Embark Pensions, commented: “2019 was another solid year for our pension businesses in a market that continues to be full of change. Our diversification strategy continues to be a primary driver of our performance and we are delighted to see ourselves materially outperforming our close peer group in this regard.”

**Phil Smith**, Group CEO of the Embark Group, commented: “We continue to be pleased with the progressive performance improvements and underlying growth across Embark Pensions. It is particularly positive to see the continuing reduction of risk across the book, and consumer outcomes being the driver of our activities. This sector remains a cornerstone of the Embark Group strategy, and we continue to rapidly progress to becoming the leading provider of digital self-invested pension administration in the UK.”

**ENDS**

### **Editors' notes**

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### **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 a long history of working closely with intermediary distribution partners and consumers of all levels of affluence.

The Group now has more than £34bn\* 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 were recognised as one of the most innovative global Wealth Tech companies in 2019 as part of WealthTec100.

[www.embarkgroup.co.uk](http://www.embarkgroup.co.uk)

\*Pro-forma including the acquisitions of Sterling ISA Managers Limited and Zurich Investment Services Limited.