



The Manager
Company Announcements Office
Australian Stock Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

7 May 2020

ELECTRONIC LODGEMENT

Dear Sir or Madam

RE: CEO ADDRESS - ANNUAL GENERAL MEETING

Please find attached a copy of address to be given by the CEO at this morning's Annual General meeting of the Company.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized, cursive "P" followed by a long horizontal line that tapers to the right.

Peter Ferguson
Group General Counsel & Company Secretary

Iress Annual General Meeting

Thursday, 7 May 2020 at 11:30 am

CEO address – Andrew Walsh

Thank you Tony and good morning.

Today I'll cover performance against our strategy, our financial performance in 2019 and the environment we are in today.

Strategic focus

Our goal is to be essential and desirable to our clients and users. To achieve this, we have a commitment to:

- Exceptional service
- Product investment
- Efficiency and scale
- Attracting and retaining the best people

We have achieved important milestones in all of these areas in the past year. I encourage you to look at both our annual report and ESG report which cover these topics in more detail.

One of our strengths is our ability to anticipate the needs of clients and users, and to build the necessary software and services to meet these needs. Growing areas of demand are in automation, data and digital (or online tooling).

We have made significant progress with our automated super offering for the Australian superannuation industry, signing two new clients in the past six months. Our regtech software, Lumen, has seen increased demand and, as advisers in the UK seek ways to deliver advice at scale, our Xplan Prime software is meeting this demand. In 2019, we also acquired market data provider QuantHouse. This acquisition further expands what we offer to clients globally.

Over two years ago we saw an opportunity to provide our MSO software in Australia to capitalise on a new wave of entrants to the Australian banking market. We have won neobank business and we have made good progress. However, we have assessed this against other priorities and the cost and benefit of this opportunity, and decided not to continue with this business in Australia. There is no material financial impact as a result of this decision. This decision does not impact our UK mortgage software business, where we continue to see strong opportunity.

A brief comment on inorganic growth. In a changing environment, we continue to explore potential opportunities for inorganic growth in line with our strategy. Such opportunities remain an important part of our current and future growth plans, and we are well positioned for the current environment.

Financials

Financial performance for the year to 31 December 2019 reflected the continuing demand for our software and services, as financial services businesses globally seek expertise in transitioning to more efficient, data-driven ways of working.

Group operating revenue was \$508.9 million, up 8% on 2018 on a constant currency basis. Segment Profit was \$152.1 million, up 10% on a constant currency basis.

Reported NPAT was \$65.1 million, up 2% on 2018. Excluding the impact of changes in accounting standards and the acquisition of QuantHouse, NPAT was up 11% on 2018.

Iress' balance sheet is conservatively positioned. At 31 December 2019 Iress' net debt was \$195m representing a leverage ratio of 1.3 times Segment Profit. Since this date, debt facilities have been re-financed for a further four years and increased by \$105m to a total facility of \$405m. The size of the facility had not changed since 2015 and the increase reflects both the growth in our business over the last five years and expected opportunities in the current environment.

Coronavirus update

I want to also make a few comments about coronavirus and our response.

We continue to operate and support all services. Our teams, including business-critical teams, are working well remotely and continue to do so.

Our clients are pleased with the strength and stability we can provide, while being able to remain agile in response to changing events.

On 7 April we provided an update to the market, which included the decision to withdraw FY20 guidance on the basis of this being the prudent step for Iress to take. This was because of the broader uncertainty surrounding COVID-19 and the economy - and the difficulty in predicting what lies ahead.

Iress has strong underlying fundamentals, with high rates of recurring revenue and cash conversion, and a conservative balance sheet. Further, our client basis is diversified by size, segment and geography and the underlying demand by financial services for automation and technology remains strong.

I want to give particular thanks to our team of 2,000 who have transitioned seamlessly to a new way of working - while at the same time remained totally focused on the needs of our clients and users, and their colleagues. At the same time as we work effectively from home, we are also turning our attention to preparations for an eventual turn to work. I also thank our board of directors for their ongoing guidance during this time.

Thank you also to our shareholders and to our clients and users.