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Nucleus' scale drives adjusted profit of £47.7m for FY 2022

Strong progress against strategy, with profit enabling investment in product, service and price.

Nucleus Financial Platforms Ltd, one of the UK's leading, independent, adviser platform groups, is today announcing results for the year to 31 December 2022.

It benefitted from a first full year of contribution from both the Nucleus Wrap and James Hay platforms. These strong results demonstrate progress against the strategy of building scale, growing profitability and ongoing investment in products, service and price.

Financial highlights

- Revenue was up 80% to £114.5 million (2021: £63.6m) with costs, excluding exceptional cost, only increasing by 20%.
- Adjusted profit, which excludes exceptional/one-off costs, was up to £47.7 million (2021: £7.9m).
- Profit before tax was up to £25.4m (2021 £24m loss).
- Administrative expenses increased from £66.7m to £81m, reflecting the Nucleus Financial plc acquisition. However, cost savings achieved through the outsourcing of IT and operations to FNZ helped offset the cost increases.
- Net flows for on-sale products were positive in the year at £169m.

Richard Rowney, CEO of Nucleus, said: *"This has been a year of significant progress for the group. In the first full year of trading since we joined together Nucleus Financial plc and James Hay Partnership, the numbers we're reporting today show the benefits of our combined scale are starting to deliver.*

"Looking ahead, we're excited about the prospect of continuing to invest in our products, service and price, enabling us to deliver great financial outcomes for our customers and ultimately helping make their retirement more rewarding."

Strategic highlights

2022 was a year of good momentum as our strategy to build scale began to deliver results. The progress we've made has ensured we're well placed to continue our journey to create the UK's leading retirement focused adviser platform, via organic and acquisitive growth.

- James Hay and Nucleus businesses are now fully integrated under a single management structure and new brand.

- Since James Hay's acquisition of Nucleus in 2021, we have invested £4.5 million in improving service, and £12.6 million in technology and transformation, as well as making good progress in the development of a new, leading retirement platform.
- The group's strong financial backing was further strengthened as HPS Investment Partners was welcomed as the new majority shareholder, alongside existing shareholder Epiris.
- We have continued to invest in our people bolstering our board strength with the appointment of Gordon Wilson as the new chair, and two new non-executive directors. We have strengthened our senior leadership team adding expertise in managing acquisitions, integration, outsourcing technology and replatforming. We also welcomed 130 new colleagues to the group last year.
- The Nucleus Foundation was established, a registered charity operated by Nucleus with appointed trustees, with £750k of initial funding to provide support to organisations and individuals across the UK.
- In January 2023, we announced the recommended offer for Curtis Banks Group plc, to be effected by means of a scheme of arrangement which was approved by its shareholders in February 2023. The acquisition is expected to complete in Q3 2023, subject to regulatory approvals.

Outlook

The long-term outlook for the sector remains positive with the demand for financial advice remaining as strong as ever. We are well-positioned for growth and have the scale and financial strength to take on the challenges in front of us, while continuing to invest for the benefit of the advisers who have chosen to partner with us, their clients, as well as our people.

2023 is shaping up to be another pivotal and exciting year. It will see us bring together Nucleus and Curtis Banks to create a leading retirement-focused adviser platform group with approximately £80 billion of assets under administration.

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Enquiries:

Linda Harper
Head of Public Relations
E: newsroom@nucleusfinancial.com
T: +44 (0) 7876 145309

Notes to editors:

About Nucleus

The Nucleus Financial Platform Group offers investment platforms that help make retirement more rewarding. Our two platforms are run exclusively for financial advisers, with over 160,000 UK customers.



Renowned for its SIPP expertise, James Hay Partnership has been working with larger financial advisory groups for more than 40 years, providing the means to administer pensions, savings and investments in a cost and tax efficient way.

Our award-winning platform Nucleus was acquired by James Hay in September 2021. It was founded in 2006 by advisers committed to altering the balance of power in the industry by putting the customer centre stage.

Nucleus is the name of the combined business and together it's already one of the UK's leading, independent, adviser platform groups, with approximately £43.5 billion* in assets under administration.

To find out more visit: www.nucleusfinancialplatforms.com

* Source: the lang cat Platform Market Scorecard Q4 2022