

INORGANIC GROWTH STRATEGY



A record start to the Galaxy era

Our Galaxy era multi-year business plan aims to double the size of the business – in terms of revenue and underlying EBITDA – from the position we achieved at the end of 2020. In working to reach that goal, we expect around one-third of our growth to be organic and two-thirds to be inorganic via our disciplined and proven approach to M&A. Having made our first acquisition in 2010, we have since completed 25 deals, of which 13 have been since our IPO in 2018, making inorganic growth a core competency of the Group.

In support of our strategy, we undertook two successful equity fundraises in 2021 generating gross proceeds of £144.8m. The first, in April, was used to strengthen our balance sheet following acquisitions announced in H2 2020 and to enable us to pursue several opportunities which required us to be able to transact quickly. Although we ultimately chose not to progress all of those deals, we used part of the proceeds, as well as those from a second fundraising in October, to finance the SALI acquisition. We were delighted to receive strong support from investors, with both fundraises heavily oversubscribed and also to see participation from Directors and our Employee Benefit Trust.

With such a full year for M&A in 2021, it is worth revisiting our approach to inorganic growth, with a specific emphasis on how we capture and maximise long-term value.



“2021 was a record year with seven acquisitions completed across a range of target sizes, service lines and geographies.”

COMPANY	KEY FEATURES	COMPLETED	CONSIDERATION
 RBC Corporate Employee & Executive Services	<ul style="list-style-type: none"> – Market leader (Employer Solutions) – 30+ year client relationships – Highly qualified and experienced team – Blue chip client base – Strong margin enhancement and organic growth/cross-selling opportunities 	April	£10m – £20m
 INDOSFINANCIAL INDEPENDENT FUND OVERSIGHT	<ul style="list-style-type: none"> – Leading provider of depositary, AML and ESG services – Expands footprint in UK and Ireland – Highly expert and experienced team – Organic growth driver through increasing range and quality of ICS services 	June	£10m – £20m
 SEGUE PARTNERS	<ul style="list-style-type: none"> – Scalable US fund services business – Expert and dynamic team – High quality client book spanning a range of alternative asset classes – Organic growth driver through combination with wider US footprint 	September	<£10m
 perform DUE DILIGENCE SERVICES	<ul style="list-style-type: none"> – Leading provider of operational due diligence (ODD) services – Offering spans key segments of ICS and PCS client base – UK, Europe and US reach – Strong organic growth potential 	October	<£10m
 BALLYBUNION CAPITAL	<ul style="list-style-type: none"> – Irish ManCo and fund services business – Expert and experienced team – High quality client book with strong margins – A key component of building our Irish platform – Strong ties to the US market 	December	£10m – £20m
 SALI FUND SERVICES	<ul style="list-style-type: none"> – US fund services business of scale – Market leader for Insurance Dedicated Funds (IDFs) – 40+ year client relationships – Near-term opportunity in combination with EFS and existing US footprint – Medium to long-term growth via IDF ecosystem participants (blue chip insurers, asset managers, brokers and UHNWI) 	November	>£150m
 Essential FUND SERVICES LLC	<ul style="list-style-type: none"> – US fund services business – Boutique with high degree of expertise in IDFs – Strong legacy relationship as preferred partner to SALI – Organic growth driver through combination with wider JTC footprint in the US 	December	<£10m

INORGANIC GROWTH STRATEGY CONTINUED

OUR 2+2=5 APPROACH

Fundamentally, we look to do deals that make JTC a better business for the long term and our disciplined inorganic growth strategy has a number of inter-related components that help us deliver on this – our so-called 2+2=5 approach.

7
acquisitions completed
1,050+
clients welcomed

275+
new colleagues welcomed

6
new locations added to network

\$75bn+
added to Group AuA

1 – ORIGINATION

- Refined criteria and focus
- Highly selective 15:1 deals reviewed vs. executed
- Reputation for being straightforward

2 – INTEGRATION

- Highly experienced Operational Departments
- Full range from bolt-ons to highly complex carve-outs
- Shared Ownership gives unique cultural welcome and incentives
- Disciplined approach to full integration – we do it properly

3 – EXECUTION

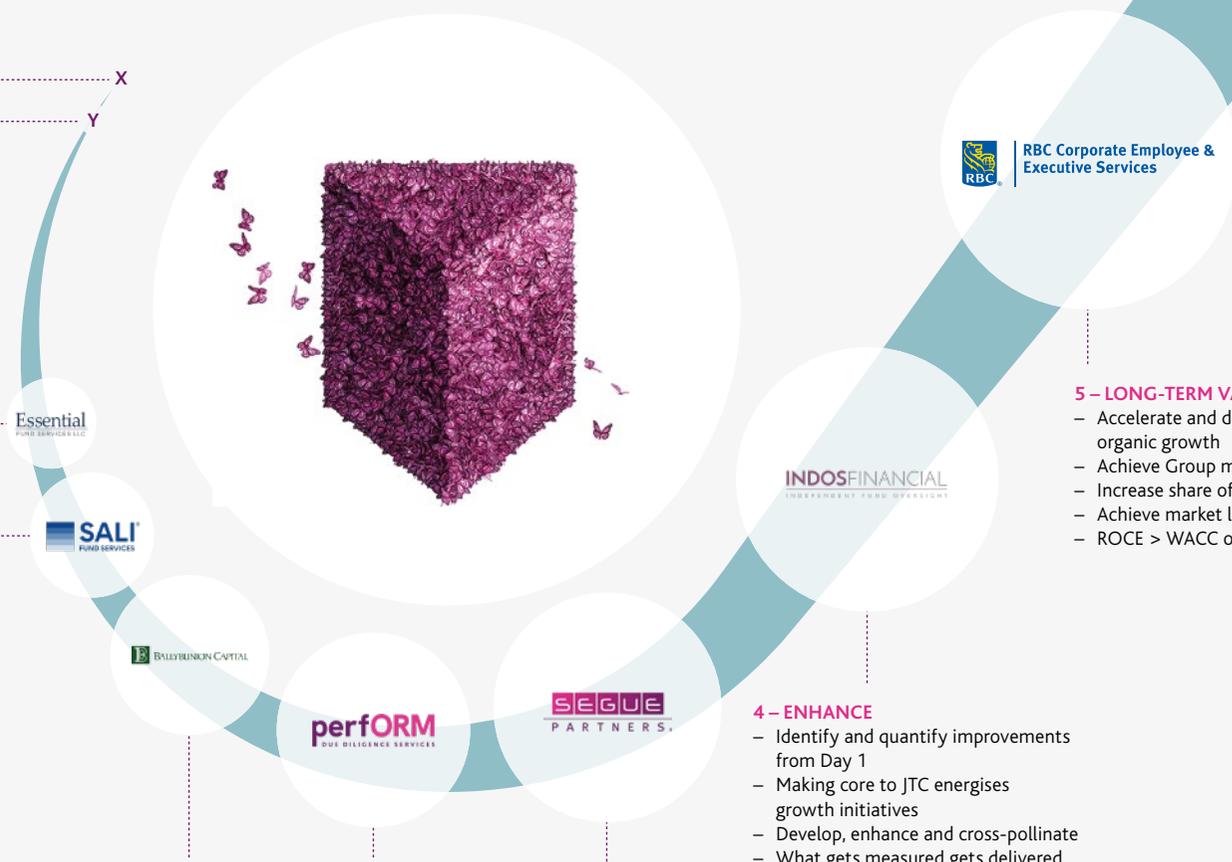
- In-house expertise plus trusted advisors
- Price discipline is hard wired
- We know when to say no

4 – ENHANCE

- Identify and quantify improvements from Day 1
- Making core to JTC energises growth initiatives
- Develop, enhance and cross-pollinate
- What gets measured gets delivered

5 – LONG-TERM VALUE CREATION

- Accelerate and drive organic growth
- Achieve Group margin range
- Increase share of wallet
- Achieve market leader status
- ROCE > WACC over 12-36 months



RBC Corporate Employee & Executive Services

INORGANIC GROWTH STRATEGY CONTINUED

Case Study

RBC cees acquisition

The specifics of each deal are unique and nuanced, but to illustrate our 2+2=5 approach in action we can consider the acquisition of the RBC cees business, which was announced in December 2020 and completed in April 2021.

+300
clients, many blue chip,
30+ year relationships

Deeper talent pool
150+
new colleagues

Footprint expansion
Edinburgh office

Award winning
in year 1



“A perfect example of how our inorganic model works from origination through to the creation of long-term value.”

1 – ORIGINATION

- Understood the seller’s motivation and perspective
- Successful track record of similar deals
- Shared Ownership makes us a good ‘new home’
- Non-core for the seller is core+ for JTC

2 – INTEGRATION

- Offered a proven approach to ‘carving out’ – minimise risk to the seller
- Immediate fit with JTC core business is highly energising
- Shared Ownership eases cultural transition for employees
- No surprises integration plan, including complex TSA

3 – EXECUTION

- Off market allows us to get close to the seller and their needs
- Reputation, client satisfaction and team retention all key
- Price not the primary driver
- Certainty of execution very important



RBC Corporate Employee & Executive Services

5 – LONG-TERM VALUE CREATION

- Group margin in less than 12 months
- Material cost savings on the JTC platform
- Re-invigoration of organic growth
- Blue chip clients with c.30-40 year lifespans
- Pro-Share award win in first year of ownership
- 2+2=5 (at least)

4 – ENHANCE

- Multi-million p.a. cost savings from Day 1
- Rapidly re-brand to JTC Employer Solutions
- Development roadmap including client portal
- Cross-sales across the wider Group
- Identify, track, measure, repeat

INORGANIC GROWTH STRATEGY CONTINUED

The art and science of integration

“Our approach to integration sits at the heart of capturing value from acquisitions and we place a particular emphasis on welcoming people to our unique culture.”

OUR TEAM



WENDY HOLLEY
GROUP CHIEF OPERATING OFFICER

Vital to the success of our inorganic growth strategy is integration onto the JTC platform. This is led by our Chief Operating Officer, Wendy Holley, and enabled by our outstanding Group Operations teams.

New colleagues welcomed in 2021

275+

Clients welcomed in 2021

1,050+

Our approach enables the market-facing Divisional teams to focus on client service excellence, while simultaneously ensuring that cultural alignment and every last operational detail are taken care of and maximum long-term value is captured from each acquisition.



DEAN BLACKBURN
GROUP CHIEF COMMERCIAL OFFICER



RICHARD INGLE
CHIEF RISK OFFICER



WILLIAM BYRNE
CHIEF GROUP COUNSEL



CAROL GRAHAM
GROUP DIRECTOR: GROUP HUMAN RESOURCES



DAVID VIEIRA
CHIEF COMMUNICATIONS OFFICER



ADAM JEFFRIES
CHIEF INFORMATION OFFICER



BECKY HENWOOD-DARTS
GROUP DIRECTOR FINANCE



MIRANDA LANSDOWNE
GROUP COMPANY SECRETARY



KENNY RAE
COO – ICS DIVISION



TRACEY MCFARLANE
COO – PCS DIVISION



SARAH KITTLESON
GROUP DIRECTOR – RISK & COMPLIANCE



ZACH MUELLER
SENIOR DIRECTOR – M&A



LESLEY BASSFORD
SENIOR DIRECTOR, GROUP FINANCE

INORGANIC GROWTH STRATEGY CONTINUED

OUTLOOK

While we have exceptional operational capabilities to achieve seamless integration, we are always aware of the need to protect our platform as it grows. With this in mind, we expect 2022 to be a year where we focus on consolidating what was added to the Group in 2021 and, in particular, on ensuring that we create the optimal environment to capture the full benefits and cross-pollination opportunities that were key drivers of those deals.

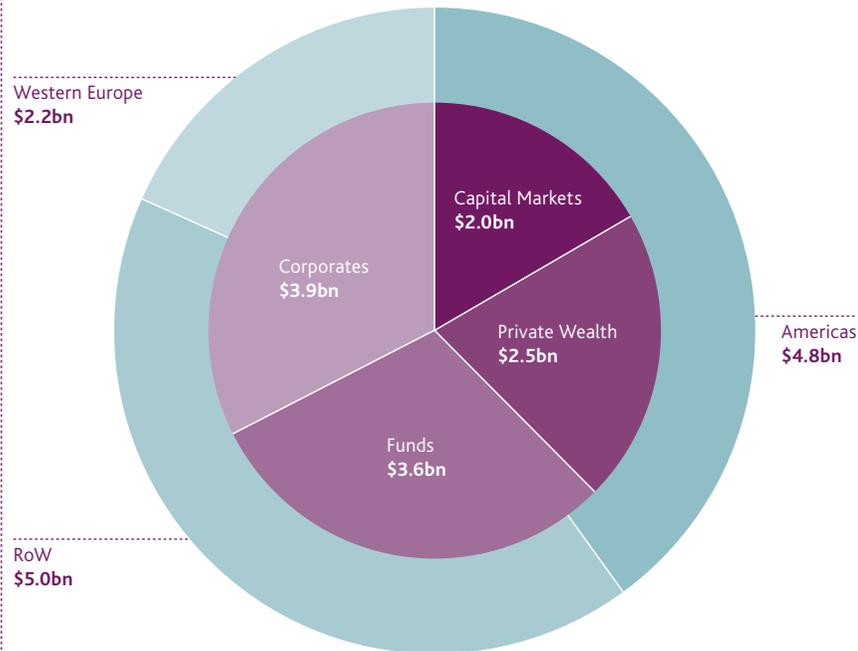
That being said, the industry continues to benefit from long term structural growth drivers (see page 9) and remains fragmented, with thousands of participants in a global market that is estimated to be worth at least c. \$12bn in annual revenues.

Our pipeline of opportunities remains active and fully aligned to our strategy, as we seek to add new capabilities that fit our client service excellence delivery model; enable us to expand our scale in key growth markets; add talent and expertise to the Group and enable further development of our internal market capabilities.

Following a successful refinancing of our debt facilities in October, and taking into account the proceeds of our two equity fundraises, our balance sheet remains strong and we have the necessary firepower to execute on the near-term, visible opportunities in our acquisition pipeline. We remain open to larger deals where our criteria for generating long-term value for the Group are met and aim to generate ROCE in excess of WACC within 12 – 36 months of any transaction.

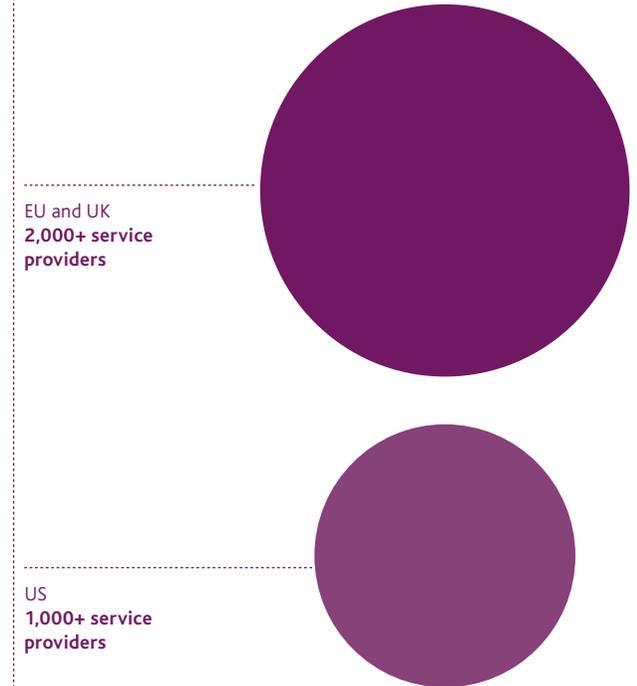
GLOBAL ADDRESSABLE MARKET

c. \$12bn



SECTOR REMAINS HIGHLY FRAGMENTED

3,000+ service providers



Source: TrustQuay research, 2021.