

# Acquisition of Polaris Actuaries & Consultants Ltd

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XPS Pensions Group PLC

24 February 2025

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

24 February 2025

**XPS Pensions Group plc**  
("XPS" or the "Group")

## **Acquisition of Polaris Actuaries and Consultants Limited**

### **A material acceleration of XPS Group's diversification strategy**

XPS Pensions Group plc, is pleased to announce that it has entered into an agreement to acquire the entire issued share capital of Polaris Actuaries and Consultants Limited ("Polaris"), a highly regarded UK insurance consultancy business with a blue chip client base, (the "Acquisition"). The Acquisition will materially accelerate the Group's strategy of becoming a leading player in the fragmented UK Insurance Consulting market. The Acquisition is expected to complete on 28 February 2025.

Polaris was established in 2015 with the strategy to provide insurance clients with high quality actuarial and technical services, supporting them on complex financial, risk and regulatory projects. Today, Polaris is at the forefront of its field, providing a range of services from large scale, multi-disciplined transformation programs to

specialist project support for some of the UK's largest insurance companies.

Polaris will be integrated into the current XPS Insurance Consulting team, which is focused on high impact, strategic advice, consulting on transformational change at the initiation stage of large scale projects. Polaris specialises in using a flexible workforce to lead the delivery stages of such projects, and as such is a highly complementary business. The combination will create a significant opportunity for growth as XPS will now be able to offer a full range of services from a strategic consultancy at the front end through to on-the-ground implementation. Polaris also offers XPS the advantage of immediate access to long term, trusted relationships with established Master Services Agreements with majority of the UK's leading insurers.

The enlarged XPS Insurance Consulting team will be well positioned to deliver meaningful and reoccurring revenue within XPS with a senior team of five highly experienced partners (including the three Polaris partners), led by David Honour, with combined insurance industry experience of 100+ years. The end addressable market is large, with UK insurers collectively spending well over £1bn p.a. on external support in maintaining and growing their businesses.

Cash consideration of £23.4 million will be paid on completion (of which £9m is subject to certain rights of claw-back) and a further contingent cash consideration of up to £35.0 million will be payable in three years contingent on achieving certain stretching business performance criteria. The acquisition is being funded from the Group's existing cash and available debt facilities. In the year ended 31 December 2024, Polaris generated revenue of £17.7 million<sup>(1)</sup> at approximately 25%<sup>(1)</sup> normalised adjusted EBITDA margin. Notwithstanding the Group's intended investment in the business in the near term to drive enhanced growth, the Acquisition is expected to be immediately earnings accretive.

XPS were advised by Deloitte LLP on the transaction.

(1) From unaudited management accounts

**Paul Cuff, Co-CEO of XPS Pensions Group, said:**

"We are delighted to have the Polaris team join us, via this attractive strategic acquisition for XPS. We have highly complementary skills and together we can provide the full range of services that insurers need as they address opportunities and challenges in their own thriving market. This transaction provides a direct path to the Group becoming a market-leading Insurance Consulting provider. It is also brilliant for our people, as in time it will broaden the range of career paths available to them as we become a broader financial services advisory firm.

The strong existing relationships we have with Polaris are important, with our head of insurance consulting David Honour having known the partners of Polaris for many years after working with them in prior roles. We think this transaction is an excellent fit and unlocks opportunity for everyone involved."

**Roger Houlihan, Partner and Founder of Polaris, said:**

"On behalf of the Polaris partners, employees and contractors, I am delighted to join the XPS team, a move that will allow us to build on the success we have achieved while expanding our capabilities. I am extremely proud of the business we have built and am excited about the future. We are looking forward to expanding the scale of our

operations as we continue to work with our clients to provide a truly market-leading service offering. This is a big opportunity for the Polaris team and XPS, with the backing and expertise of a larger organisation we are looking forward to providing a more comprehensive service offering to our newly combined client base.

Importantly, the core values and approach that has made Polaris successful will remain unchanged, our values closely align to XPS's enabling us to continue to deliver exceptional results for our customers and provide exciting opportunities for our team."

### **About Polaris**

Polaris Actuaries and Consultants Limited is a leading and trusted provider of insurance, risk and regulatory consulting services. Polaris specialises in actuarial consulting providing high quality actuarial and technical services to insurance clients in the UK, and supporting them on complex financial, risk and regulatory and actuarial change programs.

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### **Notes to Editors:**

XPS Group is a leading UK consulting and administration business specialising in the pensions and insurance sectors. A FTSE 250 company, XPS combines expertise and insight with advanced technology and analytics to address the needs of over 1,400 pension schemes and their sponsoring employers on an ongoing and project basis. We undertake pensions administration for over one million members and provide advisory services to schemes and corporate sponsors in respect of schemes of all sizes, including 83 with assets over £1bn. We also

provide wider ranging support to insurance companies in the life and bulk annuities sector.

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