

ASX Announcement

26 February 2021

Centrepoint Alliance continues strong growth in 1H FY21

Centrepoint Alliance Limited (ASX: CAF) ("Centrepoint Alliance" or "the Company"), a leading provider of advice and business services to financial advice firms throughout Australia is pleased to provide the Company's Interim Financial Report and Appendix 4D for the six months ended 31 December 2020.

1H FY21 Financial Highlights

- **Gross revenue up by 15%** on previous corresponding period (PCP) to \$70.6m, through advice fee growth and integration of Enzumo
- **Net revenue up by 10%** on PCP to \$15.5m, with adviser (AR) fees increasing by \$2.3m
- **Statutory expenses down by 7%** on PCP through continued efficiency gains on employment, travel and professional costs (**statutory expenses down by 14%** excluding Enzumo acquisition)
- **EBITDA (excl. legacy claims) of \$2.1m, up by \$1.8m** from 1H FY20 through advice fee growth, slower runoff of rebates and continued focus on operational efficiencies as business gains scale
- Strong cash performance: **net cash from operations up by \$1.8m** and NEOS Life repayment of \$2.4m drove a **robust closing cash balance of \$14.7m** (up 107% on PCP)
- **Fully franked special dividend of 3c per share and interim ordinary dividend of 1c per share** paid 26 February 2021

1H FY21 Operational Highlights

- Strategic Refresh program commenced in August 2018 is progressing according to plan, with underlying authorised representative fee revenue up 109% since 1H FY19 as the Company has transitioned to a recurring fee for service model
- The Company continues to attract quality financial advisers, with 27 new advisers joining in 1H FY21 and average revenue written by advisers who have joined the Company since October 2018 (\$366k) more than double that of those who have departed over the same period (\$173k)
- Advice technology offering continues to improve, partnering with UK-based Intelliflo to distribute the Intelligent Office software platform to Australian advisers. This makes Centrepoint Alliance one of Australia's first large scale licensees to access the benefits of Intelliflo's open data architecture for its advisers
- Intelliflo has been working with Enzumo, as their Australian implementation partner, as well as a number of pilot Centrepoint Alliance practices over the last 18 months, with a formal market launch due in the second half of CY21

Centrepont Alliance CEO, Angus Benbow, said:



Sources: Centrepont Alliance financial analysis; FY19 & FY20 annual results and 1H FY21 half yearly results.

"We are proud to deliver continued improvements in revenue and profitability in 1H FY21. The three-year transformation that we commenced during 1H FY19 has allowed us to improve the Company's operating performance and positioned us to seek new strategic opportunities."

"We enter 2021 placed strongly to drive continued growth and value for our investors and our community with a scalable business model, attractive service platform for advisers and a simple and clean balance sheet with a strong cash balance that has allowed us to resume dividend payments."

"We retain a clear focus on our objectives to enhance value in 2H FY21, as we drive aggressive organic growth in the licensed and self-licensed market, leverage our scale advantage with adviser technology investments and extensions, and actively pursue consolidation opportunities."

Centrepont Alliance Chair, Alan Fisher, said:

"Centrepont Alliance continues to improve its operating performance and competitive position as the Company navigates structural change in the wealth management industry. While the size of the advice industry as measured by authorised representatives is shrinking, large licensees such as Centrepont Alliance are gaining share and leveraging the advantages of scale and technology leadership."

"Our Strategic Refresh program has seen management develop a scalable service platform with a reputation for integrity and leadership in advice and technology. Our scalable and quality services are increasingly attractive to advisers looking to go above and beyond for their clients."

"With the Company well-capitalised and cash-generative, we have entered 2021 with a positive outlook for growth and are actively pursuing opportunities to unlock the value of the business that can be achieved through scale."

The release of this announcement has been authorised by the Board of Directors.

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About Centrepont Alliance

Centrepont Alliance (ASX: CAF) is a leading provider of advice and business services to financial advice firms throughout Australia. It offers a complete suite of governance, business management, client growth and advice services that enable advisers to spend more time providing advice to their clients.

Centrepont Alliance is proactively leading the evolution of financial advice business models in Australia. It has introduced a clear fee-based pricing model that will support the provision of more transparent and better financial advice for Australia, increasingly through the use of digital and data technology enabled solutions.