



Address by **Matthew Rowe**
Chief Executive Officer and
Managing Director

CountPlus Limited

2021 Annual General Meeting

Tuesday, 16 November 2021
At 10:00am (Sydney Time)

Contact details

Matthew Rowe

Chief Executive Officer and Managing Director
02 8218 8778
matthew.rowe@countplus.com.au

Narelle Wooden

General Counsel & Company Secretary
02 8218 8778
narelle.wooden@countplus.com.au

CountPlus Limited

ABN 11 126 990 832
Level 8, 1 Chifley Square, Sydney, NSW 2000

This address has been authorised for release
to the ASX by the Board of CountPlus Limited.

Thank You Ray,

Good Morning Ladies and Gentlemen

Firstly, I would like to thank the CountPlus Board for the confidence shown in me to continue to lead CountPlus as CEO and Managing Director.

The team of people across our member firms, Count Financial and CountPlus, shows a strong belief in our purpose, our values, and demonstrates a focus on delivering positive client outcomes, every day.

It is a privilege to lead such a team and I would like to acknowledge and thank them collectively. Their effort and dedication in turn fuels my passion. The positive impact of a great team is a key reason for my ongoing commitment to CountPlus beyond February 2022.

Much has happened since I became CEO and Managing Director. From the initial turnaround strategy set in mid-2017, to purchasing Count Financial in late 2019, meeting the ongoing challenges of dislocation in the financial advice sector, and more recently the impact of COVID-19 on our people, clients, and our community.

I am pleased that as we enter 2022, we are in a strong financial position combined with a sharp focus on the overall strategic initiatives for the Company – aimed squarely at growth, improved revenues and boosting shareholder return on capital. Our focus is reflected in the quality of the Merger & Acquisition activities behind us, and on the near horizon.

Financial

In overall terms, for the 12 months to 30 June 2021, CountPlus posted an adjusted net profit after tax (NPAT) attributable to shareholders of \$5.30 million. On a reported NPAT basis, earnings per share reduced to 4.43 cents, compared to 14.30 cents per share in 2020, the year that recorded the gain on bargain purchase of Count Financial of \$10.95 million.

Earnings from Associate Firms under the Company's Owner, Driver – Partner model rose to an encouraging \$2.50 million, representing a 15 per cent increase on the same period for 2020.

I am pleased to update you on some key financial information on 30 September 2021. Our net cash position is \$20.9M and our member firm operating margin has improved to 23% (compared with 21% for the first quarter last year).

If we look at our firms in aggregate – in other words, where we ignore the underlying ownership of the firm - we have seen a 3% increase in aggregate firm revenue in the first quarter of 2021 compared to the same quarter last year.

Count Financial

Count Financial is now operating a “clean” model. There is an opportunity for us to take a leadership role in the financial advice sector and become a significant player in this space.

Following the ending of grandfathered revenue streams on 31 December 2020, Count Financial delivered earnings before tax (EBT) of \$0.272M in the 6 months ended 30 June 2021. Count Financial has delivered EBT of \$0.278M in the first quarter of the 2022 financial year.

We have now dealt with 2,013 legacy client remediation matters with \$5.67 million in client detriment payments made under our \$300 million indemnity from the CBA.

Count Financial has 244 financial advisers in the network, with 18 new advisers in the process of being onboarded. Our recruitment pipeline moves around as opportunities drop away or we do not proceed, but we currently have a healthy 220 potential recruitment opportunities. Our experience to date is less than 60% of those that apply will pass our requirements to join Count Financial.

The number of advice documents produced per adviser increased by 51% in the three months to 30 September 2021, as compared with the same period in the prior year.

Gross Business Earnings per Financial Adviser has increased 39% since September 2020.

Average Funds under administration (“FUA”) per Adviser is \$47.5 million in September 2021 compared to \$31.8 million per Adviser in September 2020.

95% of Count Financial advisers have passed the FASEA exam compared with an industry average of 76%. The remaining advisers will sit the FASEA exam in November 2021.

Accurium

On 1 November 2021 we announced the completion of our acquisition of Accurium. The Accurium acquisition is strategic and provides CountPlus the opportunity to expand its core service delivery to accounting firms and SMSF professionals across Australia.

It is Australia’s largest supplier of Self-Managed Superannuation Fund (SMSF) Actuarial certificates, with circa 45% market share, providing actuarial certificates direct via an online portal or through integration with leading SMSF accounting software platforms.

Revenue for Accurium in FY2021 was \$7.1 million and EBITA \$2.8 million.

Accurium is also one of the largest education providers in the SMSF space. Over 18,000 CPD hours were provided by webinars in the last year. As an SMSF Association Accredited Educator, Accurium provides SMSF Association and FASEA accredited Continuing Professional Development (CPD) through a range of media available on the TechHub platform.

Accurium won the CoreData Actuarial Certificate Provider award in 2021, 2020 and 2019 and in 2021 was the winner of the SMSF Education category of the SMSF Adviser Awards.

Accurium has over 2,800 Accounting Firms and circa 11,000 SMSF Professional Advisers as subscribers of its education offering. In FY2021 these subscribers accessed over 140,000 resources on the Accurium TechHub.

Accurium is on a pathway to commercialise its leading SMSF education content and build out a subscription-based education business for SMSF Professional Advisers, Accountants and Financial Advisers.

People

Ray Kellerman mentioned in his address that CountPlus will enhance its organisational structure and evolve to cope with the complexities of a larger business providing a broader set of services to clients.

Talent management has become the biggest challenge for most Australian businesses, and this is certainly evident now in the Professional Services sector.

High-performing organisations actively invest in structured development of their people, and it is with this in mind that CountPlus has partnered with Melbourne Business School and built a CountPlus Leadership Development Framework comprising programs for new managers (emerging leaders), emerging senior leaders and a master's program for future Managing Principals and Senior Executives.

These programs commence in February 2022.

Community

In a period of enormous challenge due to the COVID-19 pandemic I am pleased to acknowledge the great work of our member firms in supporting their communities. In particular, the work of the Count Charitable Foundation, now in its 18th year, having donated over \$12 million to Member-nominated charities in that time.

In fact, donations made from the Count Charitable Foundation to 129 charities totalled over \$1 million in the FY21 year. This is the second year where over \$1 million was donated.

Thank you for your time today, and for your support as a shareholder of CountPlus.