



**ASX announcement**  
CountPlus Limited



# 2023 Half-Year Results

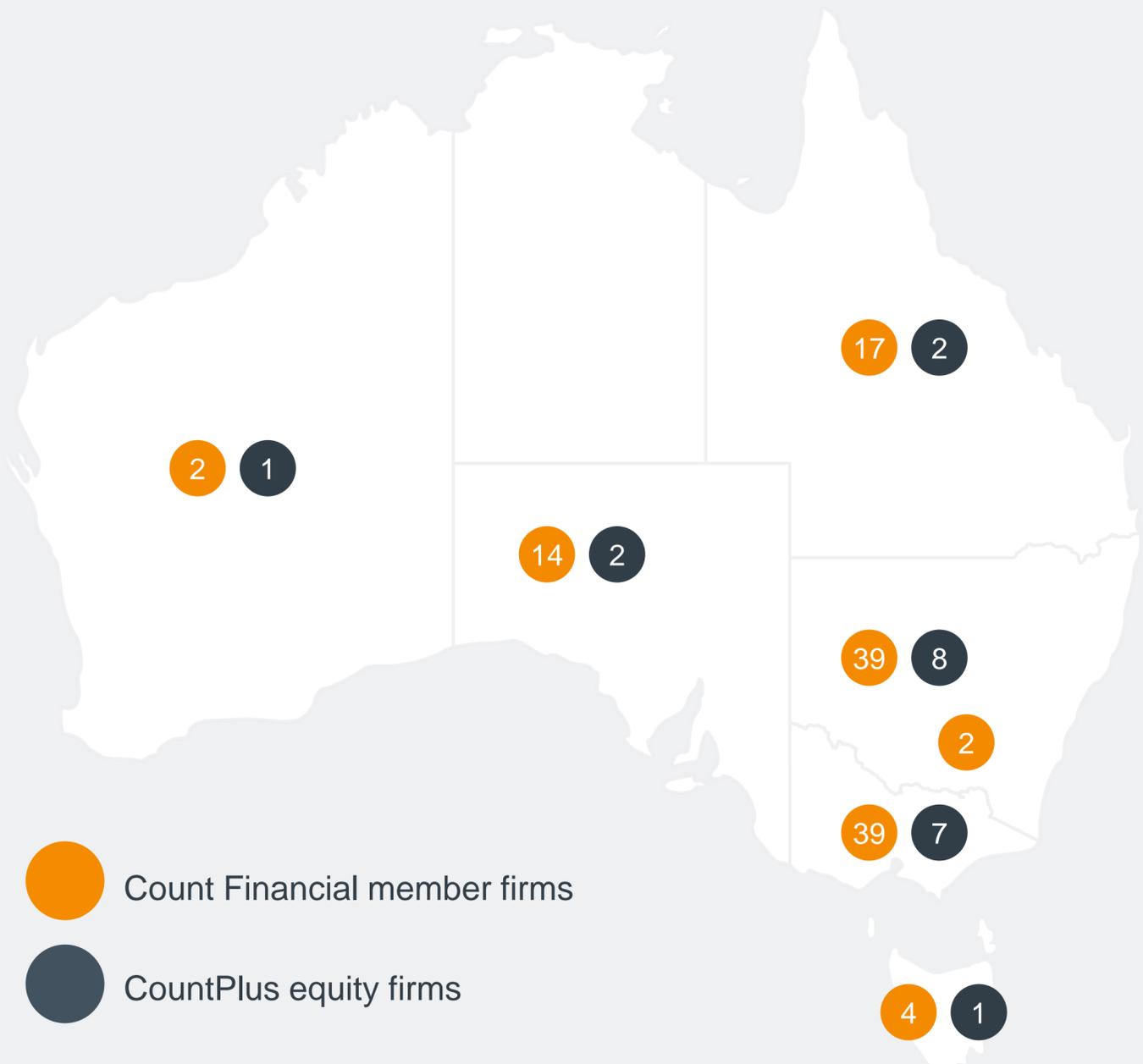
Presentation and Investor Discussion Pack  
27 February 2023 (Sydney).

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

# Group Results

# CountPlus Network

The CountPlus and Count Financial network includes 3,513 people in 138 firms.



● Count Financial member firms  
● CountPlus equity firms



# 2023 Half-Year Highlights



<p><b>Reported Revenue</b></p> <p><b>↑ +8%</b></p> <p>to \$45.4M</p>	<p><b>Reported Contribution</b></p> <p><b>↑ +13%</b></p> <p>to \$23.6M</p>	<p><b>Reported EBITA</b></p> <p><b>↓ -50%</b></p> <p>to \$2.9M, includes impairment and write-down of \$2.1M</p>	<p><b>Adjusted EBITA*</b></p> <p><b>↑ +28%</b></p> <p>to \$5.0M</p>
<p><b>Interim dividend per share</b></p> <p><b>⇒ 1.50c</b></p> <p>same as 1H22</p>	<p><b>Employee net promoter score</b></p> <p><b>↑ +17%</b></p> <p>to 27 points</p>	<p><b>Adviser numbers</b></p> <p><b>↑ +13%</b></p> <p>to 279 Advisers</p>	<p><b>Wealth segment reported revenue growth</b></p> <p><b>↑ +17%</b></p> <p>to \$8.4M</p>

**Basis of preparation:**  
1H23 highlights above are compared to 1H22.

**Notes:**  
\* CountPlus' preferred measure is adjusted EBITA as it provides transparency to our underlying trading results. Adjusted EBITA includes the removal of once-off, irregular, and non-recurring items from EBITA (Earnings Before Interest Taxes, and Amortisation), the impact of business operations that are being discontinued and corporate office costs (excluding minorities).

## Headline growth in adjusted EBITA performance and dividends

- Strong **+8%** increase in reported revenue to **\$45.4M**, coupled with disciplined cost management delivered a **+13%** increase in reported contribution.
- Adjusted EBITA is **\$5.0M**, an increase of **+\$1.1M** (+28%) from adjusted EBITA in 1H22 of **\$3.9M**. Adjusted EBITA includes the removal of once-off, irregular, and non-recurring items from EBITA (Earnings Before Interest Taxes, and Amortisation).
- Interim fully franked dividend of **1.50** cents per share at 1H23, the same as 1H22.

## Operational review complete

- Action taken to discontinue the operations of Wealth Axis resulting in a non-cash impairment of **(\$1.4M)** in 1H23.
- A non-cash write-off of **(\$0.6M)** in deferred consideration receivable was recognised due to a material event not arising.
- The Group is now well positioned to benefit from a stronger base.

## Execution of growth strategy

- Net cash on hand **\$7.7M** at 1H23 (1H22 \$11.48M) mainly due to acquisitive activity.
- Banking facility with Westpac of **\$25.0M** until 21 December 2025 (drawn down \$8.3M).
- Executive appointments of new Group Head of People & Culture and Chief Risk Officer.

## Improved metrics in Accounting

- Accounting reported revenue of **\$33.3M**, an increase of **+1%** from 1H22 revenue of \$33.1m.
- Accounting firm average adjusted EBITA margin the same as 1H22 at **17%**.
- Accounting segment lock up of **83 days** (1H22 78 days) reflecting previously identified production challenges, primarily in Q1.
- Aggregated accounting segment adjusted EBITA improved by **+7%** to **\$10.7M** at 1HY23.
- **Five** acquisitions in 1H23 within the accounting segment.

## Ongoing growth from Wealth

- Wealth reported revenue of **\$8.4M**, an increase of **+17%** from 1H22 revenue of \$7.2M.
- Wealth reported segment EBITA of **\$1.4M** (1H22 \$0.7M) demonstrating business has transitioned to new model without grandfathered revenue.
- Wealth segment has **279** financial advisers as at 31 December 2022 (31 December 2021 248), **31** net new advisers in 1H23.
- Growth of **+13%** in Count Financial advisers from 1H22 to 1H23 compared to an industry reduction of **-14%** from FY21 to FY22.

## Commitment to profitable services segment

- Services reported revenue of **\$3.6M**, an increase of **+125%** from 1H22 revenue of \$1.6M\*.
- Earnings and service line growth within Accurium of **+3%\*\***.
- CountPlus remains strategically committed to building a profitable services business.

### Notes:

\* This increase includes reported Accurium revenue in 1H22 of 2 months from acquisition date and 6 months in 1H23.

\*\* This growth has been calculated using prior period pre-acquisition revenue to reflect a like-for-like comparison of the revenue generated in 1H23 and 1H22 (reported revenue growth +216%).

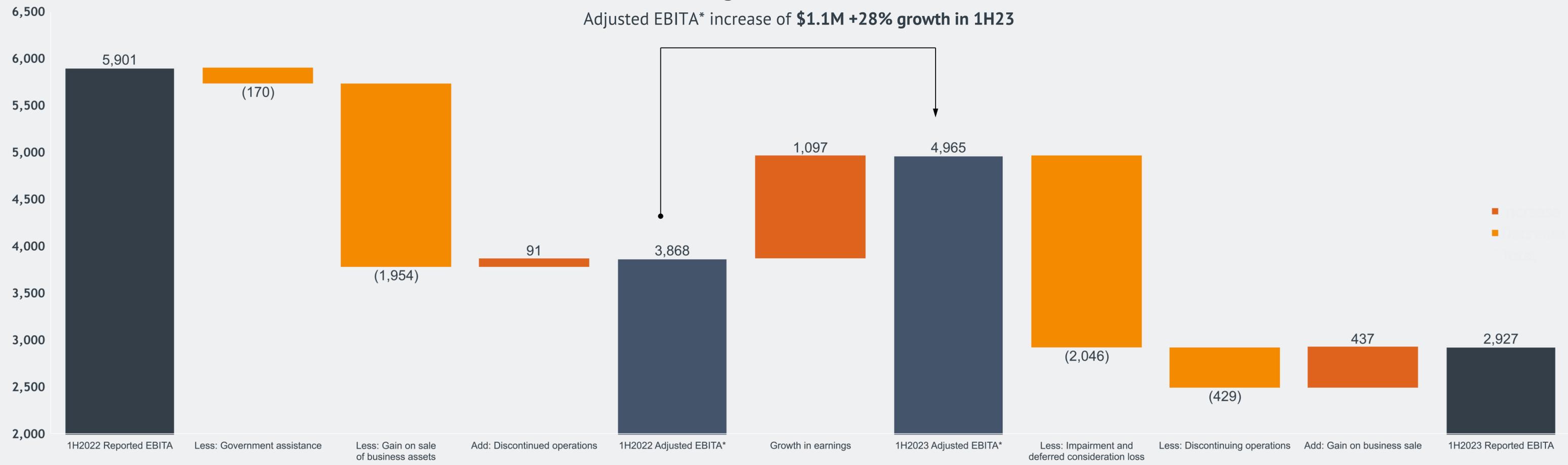
# 2023 Half-Year Results

## EBITA analysis



### EBITA bridge 1H23 vs 1H22 - \$'000

Adjusted EBITA\* increase of \$1.1M +28% growth in 1H23



### Acquisitive growth – accounting segment

Acquisitions	WSC Group
Tuck-ins	CDC, Absolute Accounting, MiPlan and Magenta Business Partners

### Basis of analysis:

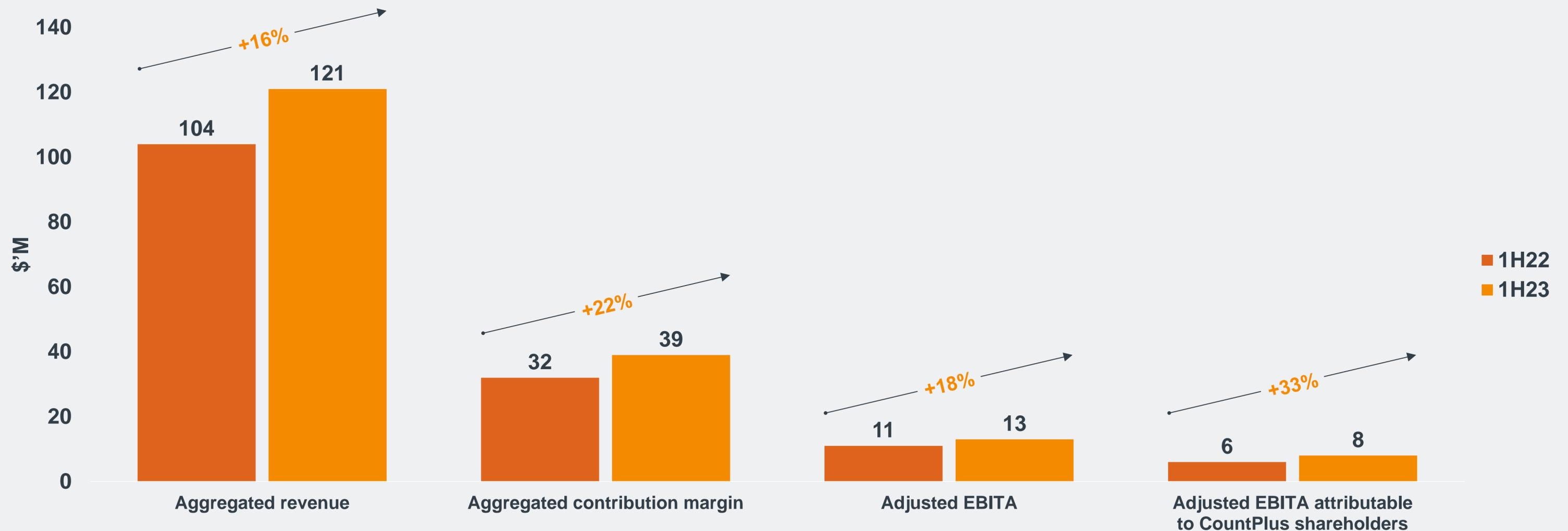
This analysis is prepared by deducting non-recurring gains and losses, including the impact of business operations that are being discontinued, along with the prior year impact of government assistance from reported EBITA. The adjusted EBITA presented in the above analysis includes corporate office costs.

### Notes:

\* CountPlus' preferred measure is adjusted EBITA as it provides transparency to our underlying results. Adjusted EBITA includes the removal of once-off, irregular, and non-recurring items from EBITA (Earnings Before Interest Taxes, and Amortisation), the impact of business operations that are being discontinued and corporate office costs (excluding minorities).

## 2023 Half-Year Results Overview

CountPlus – 100% aggregation 1H23 on 1H22 by segment



### Basis of analysis:

This analysis is prepared by aggregating 18 Accounting firms, at 100% (including associates) as well as all Wealth and Services firms. The effect of Wealth Axis has been removed from both 1H23 and 1H22 as the business operations are being discontinued. This analysis reflects the adjusted EBITA performance of each segment, demonstrating the scale of the CountPlus activities and network. Adjusted EBITA includes the removal of once-off, irregular, and non-recurring items from EBITA (Earnings Before Interest Taxes, and Amortisation), the impact of business operations that are being discontinued and corporate office costs (excluding minorities).

## 2023 Half-Year Results

### Dividend



- 1H23 dividend of **1.50** cents per share, fully franked (1H22 1.50 cents per share).

### Key dates for Interim 1H23 dividend

Ex-Dividend date	Record date	Payment date	Franking credits at 31 December 2022 amount to <b>\$10.3M</b> (30 June 2022 \$9.2M)
Thursday 16 March 2023	Friday 17 March 2023	Wednesday 5 April 2023	

# Segment results

**Incorporating**

**Accounting**

**Wealth**

**Services**

## 2023 Half-Year Results Overview

### CountPlus – 100% aggregation



	Total		Accounting		Wealth		Services	
	1H23	1H22	1H23	1H22	1H23	1H22	1H23	1H22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross revenue</b>	<b>120,947</b>	<b>103,732</b>	<b>62,375*</b>	<b>57,763</b>	<b>55,780</b>	<b>44,850</b>	<b>2,792</b>	<b>1,119</b>
Fees	(47,338)	(37,637)	–	–	(47,338)	(37,637)	–	–
<b>Revenue</b>	<b>73,609</b>	<b>66,095</b>	<b>62,375*</b>	<b>57,763</b>	<b>8,442</b>	<b>7,213</b>	<b>2,792</b>	<b>1,119</b>
Direct costs	(34,777)	(33,897)	(32,057)	(31,332)	(2,720)	(2,565)	–	–
<b>Contribution margin</b>	<b>38,832</b>	<b>32,198</b>	<b>30,318</b>	<b>26,431</b>	<b>5,722</b>	<b>4,648</b>	<b>2,792</b>	<b>1,119</b>
Other income	412	326	309	326	103	–	–	–
Operating expenses	(26,064)	(21,108)	(19,960)	(16,746)	(4,453)	(3,959)	(1,651)	(403)
<b>Adjusted segment EBITA</b>	<b>13,180</b>	<b>11,416</b>	<b>10,667</b>	<b>10,011</b>	<b>1,372</b>	<b>689</b>	<b>1,141</b>	<b>716</b>
Less: Non controlling interest	(5,652)	(5,035)	(5,275)	(4,825)	(206)	(103)	(171)	(107)
<b>Adjusted segment EBITA attributable to shareholders</b>	<b>7,528</b>	<b>6,381</b>	<b>5,392</b>	<b>5,186</b>	<b>1,166</b>	<b>586</b>	<b>970</b>	<b>609</b>

#### Basis of analysis:

This analysis is prepared by aggregating 18 Accounting firms, at 100% (including associates) as well as all Wealth and Services firms. The analysis includes the impact of group consolidation adjustments and eliminations, these have also been applied within the respective segments. This analysis reflects the adjusted EBITA performance of each segment, demonstrating the scale of the CountPlus activities and network. Adjusted EBITA includes the removal of once-off, irregular, and non-recurring items from EBITA (Earnings Before Interest Taxes, and Amortisation), the impact of business operations that are being discontinued and corporate office costs (excluding minorities). Refer to page 28 for a reconciliation of underlying segment EBITA attributable to shareholder to reported EBITA.

#### Notes:

\* This includes \$3.5M of revenue growth due to acquisitions. Organic revenue growth was \$1.1M.

# Accounting

# 2023 Half-Year Results Overview

## Accounting segment key highlights

### Aggregated Revenue

 **+8%**

to \$62.4M

### Aggregated Contribution

 **+15%**

to \$30.3M

### Aggregated adjusted EBITA

 **+7%**

to \$10.7M

### Aggregated adjusted EBITA percentage

 **17%**

in-line with 1H22

### Lock up days

 **-6%**

to 83 days

### Accounting segment acquisitions

 **5**

### Write-offs\*

 **\$622K**

#### Notes:

\* A non-cash write-off of \$622K was recognised in 1H23 relating to deferred consideration from the sale of the Bentleys Audit and Corporate Finance business which will not be received as the threshold condition was not achieved.

# Wealth

# 2023 Half-Year Results Overview

Wealth segment key highlights



### Reported Revenue

**↑ +17%**  
to \$8.4M

### Reported Contribution

**↑ +23%**  
to \$5.7M

### Reported EBITA

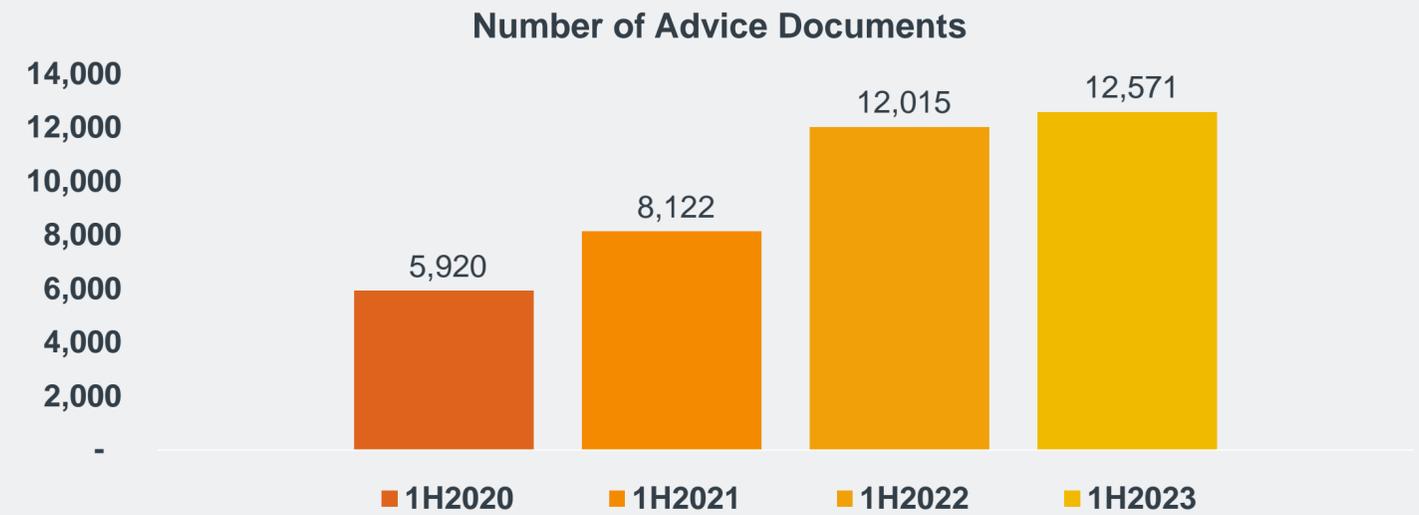
**↑ +99%**  
to \$1.4M

### EBITA percentage

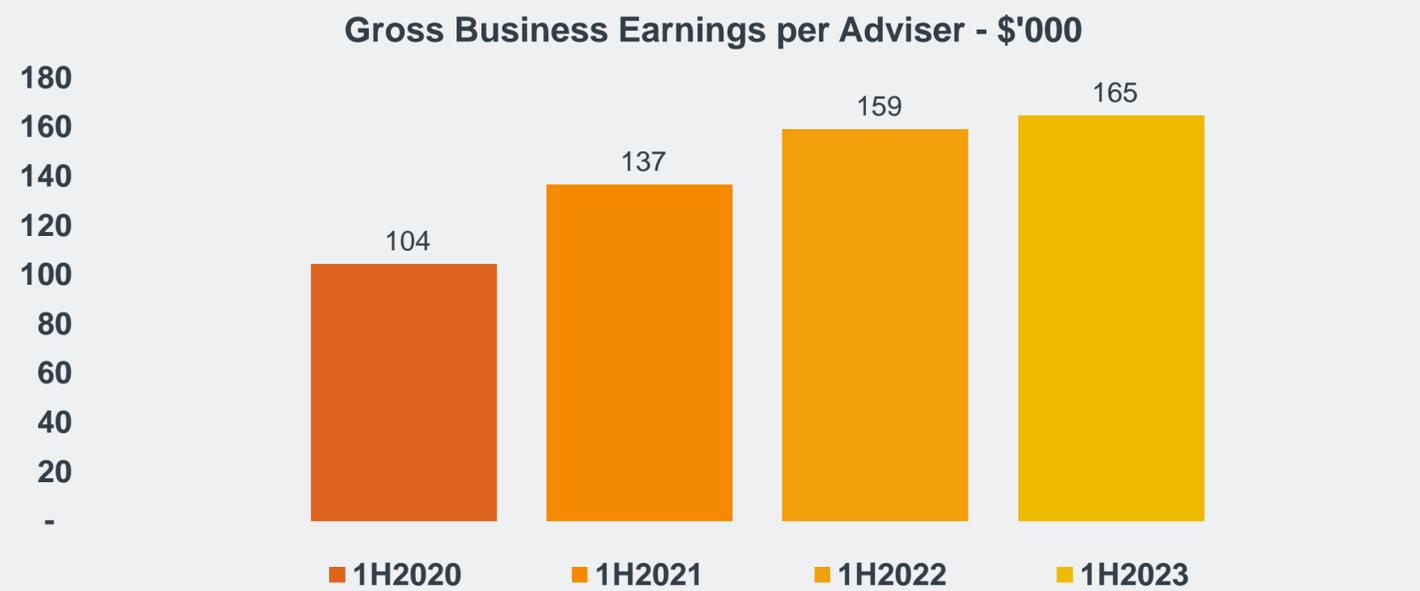
**↑ +70%**  
to 16.3%

# 2023 Half-Year Results

## Count Financial update



- **Advice documents** written up 112% from 1H20 to 12,571 in 1H23.
- **Gross Business Earnings (GBE)** up 55% from 1H20 to \$46,109 in 1H23.
- **GBE per Adviser** up 58% from 1H20 to 165 in 1H23.

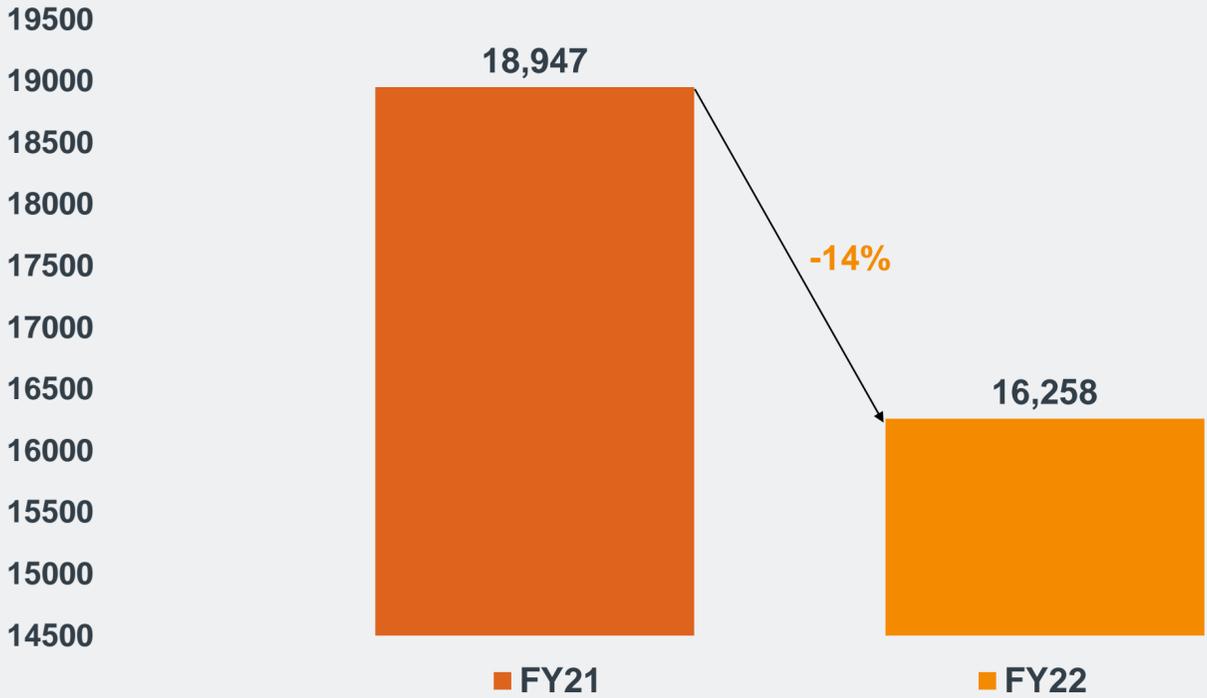


# 2023 Half-Year Results

## Financial Adviser Numbers Update

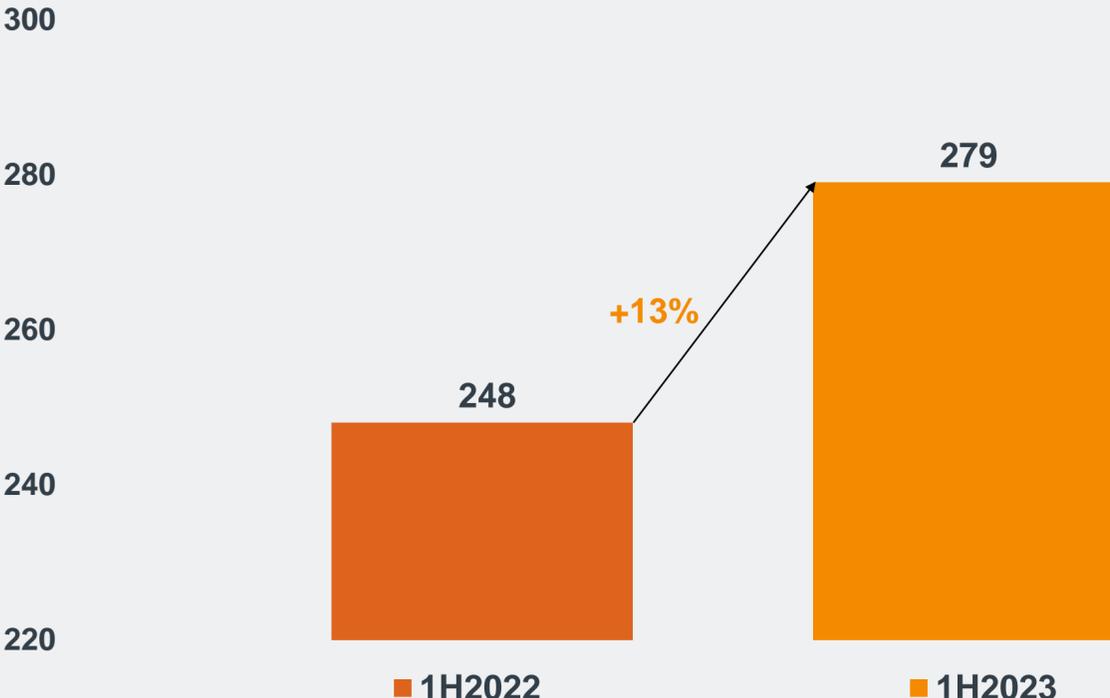


### Total number of Advisers in Industry\*



\*Sourced from data released by ASIC

### Count Financial Adviser numbers



## 2023 Half-Year Results

### Remediation provision

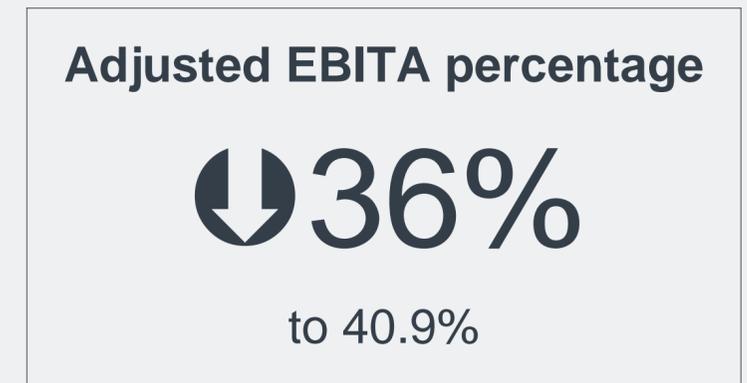
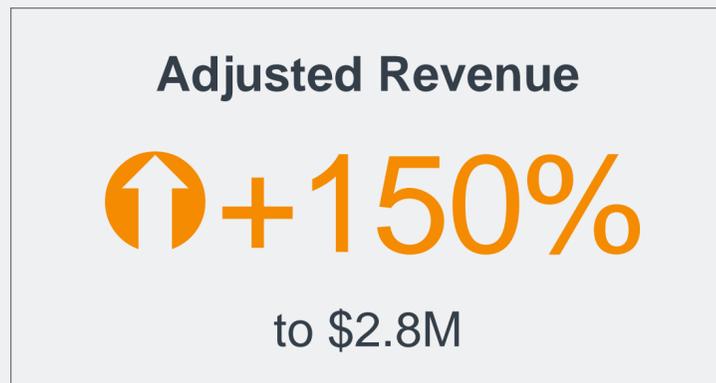


- As per the ASX announcement on 8 December 2022, the Commonwealth Bank of Australia raised the indemnity for Count Financial to **\$520M**.
- Amount of remediation paid or offered as at 31 December 2022 was **\$442M**.
- Number of customers paid or offered remediation as at 31 December 2022 was **84,816**.

# Services

# 2023 Half-Year Results Overview

## Services segment key highlights



**Notes:**  
Adjusted revenue and EBITA includes the removal of the impact of business operations that are being discontinued.

## 2023 Half-Year Results

### Services segment



We remain focused on executing our services strategy.

### Accurium

- 2022 winner of the CoreData award for best actuarial certification provider;
- 2022 winner of the SMSF Advisers award for best actuarial certificate provider;
- NPS in Nov 22 was 76 (industry average for professional services firms was 43);
- Retained market leading position with increased certificate volume to 31,000 from 30,000 (+3%); and
- Commenced strategy to develop education offering including face-to-face conferences and broader topic range. Revenue in 1H23 exceeded FY22 (+59%).

### Wealth Axis

- Reduction of operating losses to the value of \$429k;
- Transition of managed services in house and a pathway for clients and staff to migrate to Collective Outsourcing, the offshore operations within the MBA Group; and
- Mitigation of operating risks by migrating the brokerage function in house to Count Financial.

#### Normalised Revenue

↑ +5%

to \$3.5M

#### Certificate volume

↑ +3%

to 31,000

#### Non-cash impairment

↓ \$1.4M

due to discontinuing operations

#### Reduction of Annual Operating Losses

↑ \$429K

# Group cash flow

## 2023 Half-Year Results

### Statutory Cash Flow bridge

## Statutory Cash Flow bridge – 1 July 2022 to 31 December 2022



Cash on hand has decreased in 1H23 from 30 June 2022 due to acquisitions completed during the half year that have impacted the Group statutory cashflow. These include:

#### Accounting

WSC Group

Absolute Accounting

CDC

The following acquisitions were completed during 1H23 but are not included in the Statutory Cash Flow bridge as they were completed by associates of the Group and their cash on hand is not included in the closing statutory cash balance.

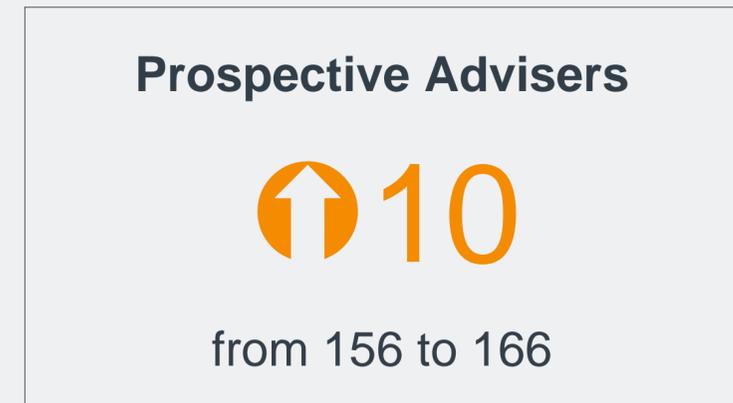
#### Accounting

MiPlan

Magenta Business Partners

# M&A

# 1H23 M&A and recruitment pipelines



**Basis of comparison:**  
Comparison of M&A and recruitment pipelines is against the AGM market update presentation.

# Appendices

## Appendices

Reminder of how we report by segment.

### Accounting

- This segment refers to CountPlus equity partnerships in converged accounting and financial planning firms.
- As at 31 December 2022 there were 18 equity partners in this segment.

### Wealth

- This segment refers to the operations of Count Financial.
- Count Financial operates an Australian Financial Services Licence (AFSL).
- As at 31 December 2022 there were 132 corporate authorised representative firms and 279 authorised representatives under the Count Financial AFSL.

### Services

- This segment refers to our equity partnerships in services firms.
- Accurium provides actuarial certificates and education to accounting businesses with SMSF clients within and outside the CountPlus network.
- Wealth Axis provided outsourced paraplanning and administration services to financial planning and accounting firms. A decision has been taken to discontinue this business.
- Accurium and Wealth Axis provide services to clients within and outside the CountPlus network.

## Appendices

Reconciliation from aggregated adjusted segment EBITA attributable to shareholders to reported EBITA.

	Total		Accounting		Wealth		Services	
	1H23	1H22	1H23	1H22	1H23	1H22	1H23	1H22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Adjusted segment EBITA attributable to shareholders</b>	<b>7,528</b>	<b>6,381</b>	<b>5,392</b>	<b>5,186</b>	<b>1,166</b>	<b>586</b>	<b>970</b>	<b>609</b>
Add: Non-controlling interest (NCI)	5,652	5,035	5,275	4,825	206	103	171	107
<b>Adjusted segment EBITA</b>	<b>13,180</b>	<b>11,416</b>	<b>10,667</b>	<b>10,011</b>	<b>1,372</b>	<b>689</b>	<b>1,141</b>	<b>716</b>
Add: Government grants	–	170	–	170	–	–	–	–
Less: Discontinuing operations	(429)	(91)	–	–	–	–	(429)	(91)
Add: Gain on sale of assets	437	1,954	437	1,954	–	–	–	–
Less: Associates NCI	(4,542)	(3,945)	(4,542)	(3,945)	–	–	–	–
<b>Segment EBITA</b>	<b>8,646</b>	<b>9,504</b>	<b>6,562</b>	<b>8,190</b>	<b>1,372</b>	<b>689</b>	<b>712</b>	<b>625</b>
Less: Corporate office costs	(3,681)	(3,603)						
Less: non-recurring items	(2,038)	–						
<b>Reported EBITA</b>	<b>2,927</b>	<b>5,901</b>						

### Basis of analysis:

This analysis reconciles underlying segment EBITA attributable to shareholders to reported EBITA.

## Appendices

### Appendix 1: CountPlus wholly-owned subsidiaries, partially owned subsidiaries and associates.

No.	Accounting Firms	Shareholding
	Wholly-owned subsidiaries	%
1.	CountPlus One Pty Ltd	100.00
2.	Evolution Advisers Pty Ltd	100.00
3.	Bentleys (WA) Pty Ltd	100.00
	Partly-owned subsidiaries	%
4.	Crosby Dalwood Pty Ltd	90.00
5.	The MBA Partnership Pty Ltd	73.08
6.	Unite Advisory Pty Ltd	69.00
7.	Kidmans Partners Pty Ltd	64.15
8.	Moggs Accounting + Advisory Pty Ltd	60.00
9.	AdviceCo CA Pty Ltd	60.00
10.	Twomeys Group Pty Ltd	54.91
11.	4Front Holdings Pty Ltd	51.00

**Note:**

\* CountPlus management views the shareholding in Rundles CountPlus and Rundles Financial Planning as one investment.

\*\* The business is to be discontinued post balance sheet date.

No.	Accounting Firms	Shareholding
	Associates	%
12.	Southern Cross Business Holdings Pty Ltd	49.00
13.	Hunter Financial Pty Ltd	40.00
14.	OBM Financial Services Pty Ltd	40.00
15. (a)	Rundles CountPlus Pty Ltd*	40.00
15. (b)	Rundles Financial Planning Pty Ltd*	20.00
16.	One Hood Sweeney Pty Ltd	32.36
17.	WSC Group - Aust Pty Ltd	32.75
18.	DMG Financial Holdings Pty Ltd	30.00

No.	Wealth	Shareholding
	Partly-owned subsidiaries	%
1.	Count Financial Limited	85.00

No.	Services	Shareholding
	Partly-owned subsidiaries	%
1.	Accurium Holdings Pty Ltd	85.00
2.	Wealth Axis Pty Ltd**	51.00

## Important information



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