

20 June 2017

Company Announcements Office
Australian Securities Exchange Limited

Prime Financial Group Ltd
ACN 009 487 674

Level 17, Como Office Tower
644 Chapel Street
South Yarra VIC 3141

Tel 03 9827 6999
Fax 03 9827 9100

enquiries@primefinancial.com.au
www.primfinancial.com.au

Market Update

Summary

- **Profit Before Income Tax** from continuing operations expected to **increase by 21 - 26%**
- Increased Debt Facility from **\$7.7m to \$12.0m** (expected debt at 30 June 2017 \$8.25m (approx.))
- Consolidated Group **Income expected to increase by 35%** (approx.)
- **Stronger than normal Net Inflows of FUM**
- **Final Dividend** expected to **increase** from 0.40cps to **0.45cps**

Profit Forecast

Prime Financial Group Ltd (Prime – ASX code PFG) are pleased to confirm that the unaudited forecast Profit Before Income Tax, from continuing operations, is expected to increase by 21 - 26%, for the year ending 30 June 2017;

Members of the Parent Entity

Profit Before Income Tax	\$4.20m to \$4.40m
Profit After Income Tax	\$3.40m to \$3.60m

The forecast Profit includes an additional contribution from the now wholly owned subsidiary, Prime Accounting & Business Advisory Pty Ltd (PABA), formerly MPR Group Pty Ltd (MPR). The 2017 profit excludes any contribution from the restructure of investments in Accounting and Wealth Management businesses, in 2016 this contributed \$0.83m to both profit before and after income tax.

Profit Comparison

	2016 \$M	2017 \$M	Change %
Profit Before Income Tax			
Operations (Continuing)	3.48	4.20 to 4.40	+21 to +26
Restructure of Investments	0.83	0	(100)
Total	4.31	4.20 to 4.40	(3) to +2

Profit Comparison (Continued)

Profit After Income Tax	2016 \$M	2017 \$M	Change %
Operations (Continuing)	2.77	3.40 to 3.60	+23 to +30
Restructure of Investments	0.83	0	(100)
Total	3.60	3.40 to 3.60	(6) to 0

Funding & Debt

As recently announced, Prime has completed a debt consolidation and refinancing with Westpac Bank, increasing it from \$7.7m to \$12.0m. The facility has a term of 3 years and includes funding for both working capital and acquisitions.

Debt as at 30 June 2017 is expected to be approximately \$8.25m (2016 \$2.3m). The increase substantially reflects amounts paid in connection with the acquisition of MPR, together with the consolidation of MPR's working capital debt (\$2.2m) plus the recent acquisition of Altezza Partners (Altezza), soon to be renamed PABA.

Operations

Consolidated Group income will increase by approximately 35% primarily due to the MPR acquisition, and the consolidation of MPR's results into the financial accounts of Prime. Income arising from the Altezza acquisition will not significantly impact the current year result, with the acquisition having been settled on 16 June 2017. We do however expect a material contribution from Altezza in the 2018 financial year.

During the year Prime has experienced stronger than normal net inflows of Funds Under Management (FUM), triggered partly by changes to superannuation legislation, and also as a consequence of increased client support of Prime's core wealth management services.

Prime's focus in the 2018 financial year will be directed to the integration of recent acquisitions, the further deployment of Prime's expanded business and service model across both owned and partner firms, and the identification of new partners to join the Group.

Dividend

Prime anticipates increasing its current dividend payment with the final dividend expected to be 0.45 cents per share (cps), which when added to the interim dividend of 0.40 cps, equates to a full year dividend of 0.85 cps fully franked.

About Prime Financial Group

Prime Financial Group Ltd (Prime) is an Integrated Accounting, Wealth Management and Capital Advisory firm that operates a B2C direct client advice model and a B2B partnership model with Accounting and Advisory firms. Prime's goal is for clients to receive complete Accounting, Wealth Management and Capital Advice.

For more information on this announcement please contact **Simon Madder (Managing Director / CEO)** on **(03) 9827 6999**.