



# Easton Investments Limited 2017 Year Results

Greg Hayes – Managing Director



A year of organic growth,  
strategic acquisitions &  
alignment of business  
units



# Results highlights

# Operational highlights

- ❑ Strong organic growth, and quality acquisitions
- ❑ Growing one of the largest Limited Authorisation services for accountants (LARs) in Australia
- ❑ Growth in wealth business with a 75% increase in number of Referral Rights Agreements
- ❑ 42% increase in the total number of training hours delivered
- ❑ Pay on demand online training now operational
- ❑ Quality strategic acquisitions
  - ❑ Panthercorp
  - ❑ GPS Wealth

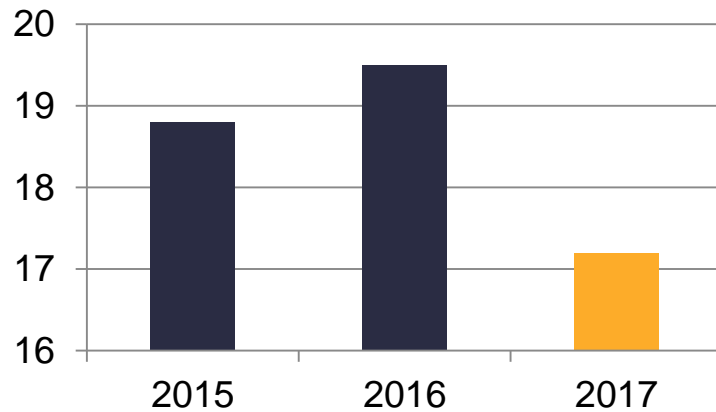
# Financial highlights

- ❑ Group revenue \$17.23 mill – down 11%
- ❑ Normalised EBITA \$3.31 mill – down 0.8%
- ❑ NPAT \$1.48 mill – up 520% (primarily due to non cash impairment charge, Harmony Distribution business, in 2016 year)
- ❑ Net cash flow from operations \$1.58 mill (significant one off working capital impact from finalisation of Harmony Distribution business – circa \$800K)
- ❑ Cash position \$2.64 mill
- ❑ Debt Nil – with undrawn bank facility \$10 mill

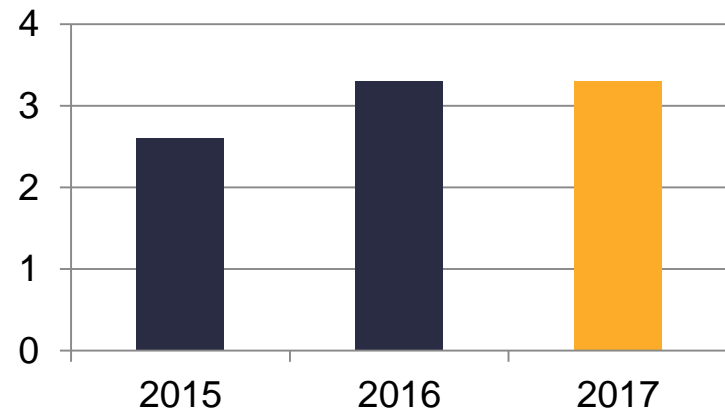
# Overview of financial performance

## Financial performance trend over 3 years

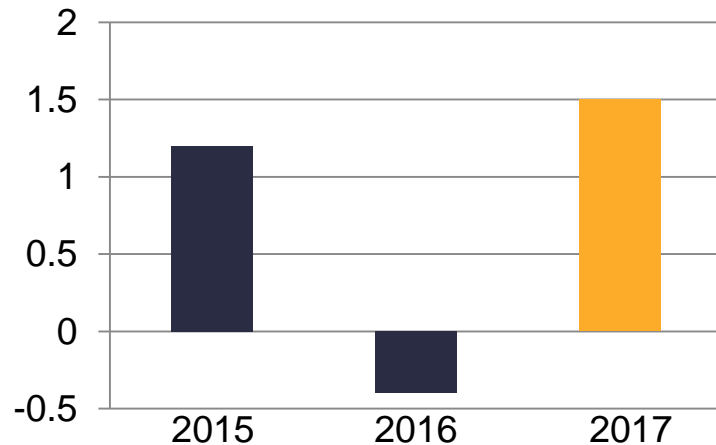
### Revenue



### Normalised EBITA



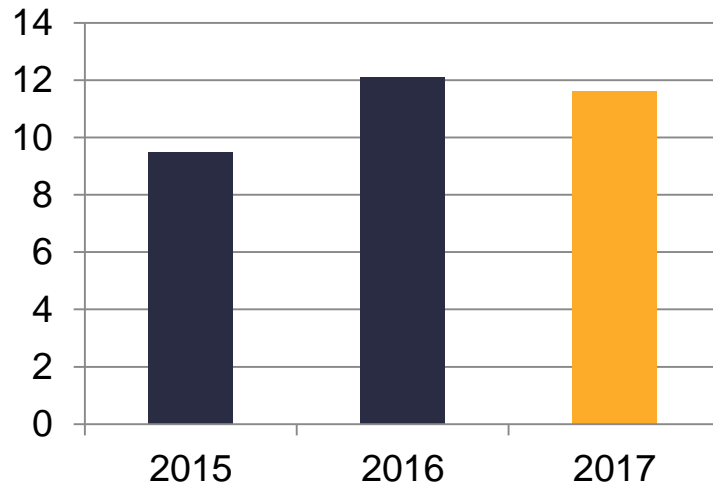
### NPAT



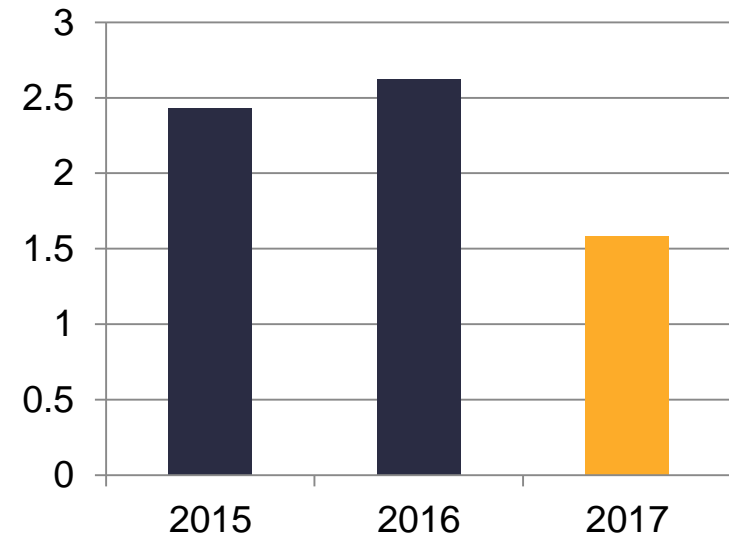
# Overview of financial performance

## Financial performance trend over 3 years

Earnings per Share (on normalised EBITA)



Net Operating Cash flow

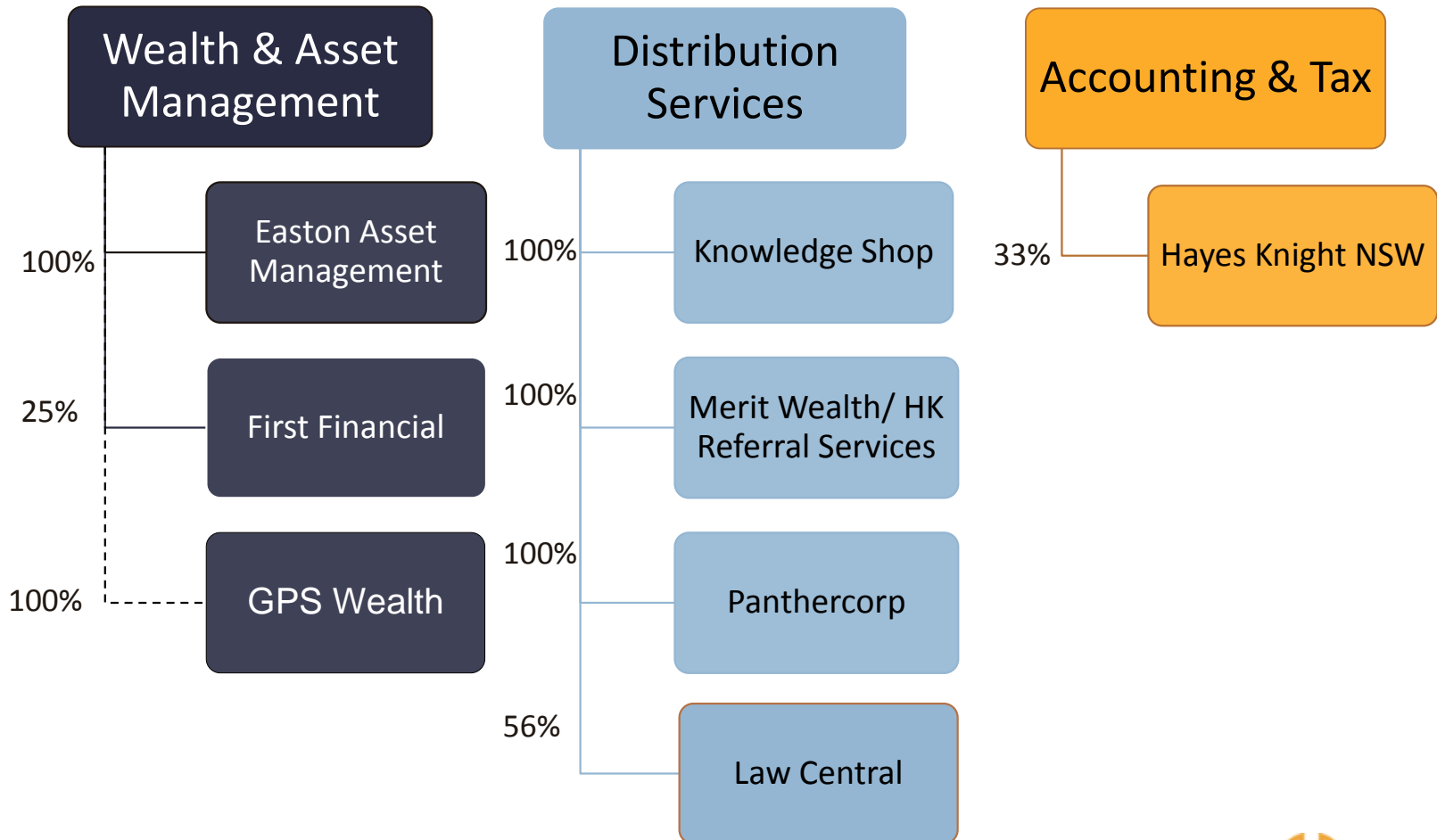




# Group overview



# Group Businesses



# Operating metrics - 2017

Training hours delivered – 32,171 (↑ 42%)	Funds under advice - \$1.70 bill (↑ 26%)
Online documents delivered – 7,728 (↑ 31%)	Risk premium - \$11.8 mill (↑ 55%)
LARs - > 200 (↑ 36%) (moves to > 400 post GPS acquisition)	Accounting firms signed up to Law Central – 484 (↑ 39%)
Knowledge Shop accounting channel (subscribers + training) – 2,353 firms (↑ 18%)	SMSFs under administration – 1410 (↑ 26%)



Financial performance

# Divisional (Segment) Performance

	2017 (\$m)	2016 (\$m)	Change %
<b>Wealth &amp; Asset Management</b>			
• Revenue	1.82	10.36	(82)
• Normalised EBITA	1.31	2.69	(51)
<b>Distribution Services</b>			
• Revenue	15.36	9.09	+69
• Normalised EBITA	2.88	1.57	+83
<b>Accounting &amp; Tax</b>			
• Normalised EBITA	.52	.40	+30
<b>Net Corporate Costs</b>	(1.40)	(1.33)	5
<b>Total Segment Result</b>			
• Revenue	17.23	19.46	(11)
• Normalised EBITA	3.31	3.33	(1)



# Acquisitions

# Panthercorp

- WA based document business
- Enhances our distribution capability
- Acquired 31 August 2016
- Profitable, mature business
- Increases our scale & complementary to Law Central business
- Potential for east coast reach provides significant opportunity



# GPS Wealth

- Agreement announced 26 June 2017
- Highly complementary business
  - 123 Authorised representatives
  - 182 LARs
  - \$1.7 bill FUA including \$600 mill on platform
  - \$36 mill annual risk premium
  - More than 4,000 SMSF relationships
- Expect to complete 100% ownership by end August 2017



# GPS Wealth

- Creates meaningful scale in our wealth business
- Makes us one of the largest Licensees in the accounting space
- Materially enhances distribution capability
- Will provide a significant contribution to Underlying Profits
- Significant synergy value between business units
- Grahame Evans to manage wealth business & join the Easton Board





Outlook & growth

# What to expect this year

- ❑ Strong growth in earnings & earnings per share
- ❑ Focus on integration of the GPS Wealth business and maximizing the synergy value available from the transaction
- ❑ Continued development of organic growth opportunities
  - ❑ Online training
  - ❑ Further growth in LAR market share
  - ❑ Engagement of the accounting market with our document solutions
  - ❑ Growth in our Wealth business through increase in Referral Rights Agreements completed
- ❑ Consideration of strategic acquisitions on a selective basis

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