

25 August 2017

EQT Holdings targeting growth after significant improvement in profit

- Net profit after tax \$15.4 million, up 16% on previous corresponding period
- Earnings per share up 15%
- Total dividend 71 cents, up 3 cents on 2016
- FUMAS \$69.7 billion, up 6.4%
- Reduction in operating expenses and one-off costs

EQT Holdings Limited (ASX: EQT), today announced a 16% increase in net profit after tax to \$15.4 million for the year to 30 June 2017.

EQT managing director Mick O'Brien said the result represented a turning point for EQT, which was entering a new growth phase.

"The significant improvement in underlying profit reflects the hard work taken to restructure and reposition the business," Mr O'Brien said.

"We are now strongly positioned to pursue growth within our existing business and through potential partnerships and acquisitions.

"Our focus is on target markets where we see strong opportunities to leverage our position as Australia's leading independent, specialist trustee company."

An increased final dividend of 36 cents per share, fully franked, has been declared. This is 2 cents higher than the 2016 final dividend and brings the total dividend for the year to 71 cents, fully franked.

The underlying business performed strongly, with a 6% increase in funds under management, administration, advice and supervision, strong performance by Corporate Trustee Services, improving momentum in Trustee and Wealth Services, and a 4% reduction in operating expenses.

Mr O'Brien said the operating model review was now complete and delivering \$2.7 million in annual cost savings.

"We have simplified the business, enhanced productivity and improved customer service," he said.

Mr O'Brien said a dip in operating revenue reflected the business transition, including the restructure of superannuation and exit from funds distribution.

"The benefits of the restructure are still accruing and EQT is targeting further improvement in net profit after tax for 2018.

"The integration of the Sandhurst Trustees trusts and estates business, acquired during the year, was completed on time and on budget, and is already contributing to our bottom line.

"The Sandhurst Trustees business is a strong fit with Equity Trustees and has brought further strength and reach to our business. We look forward to serving the Bendigo community."

EQT Chairman Tony Killen said EQT's strong balance sheet, low gearing and focused management would help drive the next phase of growth.

"We are assessing a number of opportunities in Australia and offshore to pursue growth in areas where we can leverage our core capabilities," Mr Killen said.

"Our markets are growing strongly, driven by the ageing population, increasing wealth and government-mandated superannuation." Mr O'Brien said.

"But they are also changing, due to more varied and complex family structures, the increasing trend to philanthropy and other specialist sectors, and a changing regulatory environment.

"As Australia's leading specialist trustee company, we believe our independent, un-conflicted model gives us an advantage in seeking new opportunities."

EQT also strengthened its Board during the year, with the appointment of D. Glenn Sedgwick and Jim Minto. It recently announced the appointment of the Hon Jeffrey G Kennett AC to succeed Tony Killen OAM as its next Chairman following the AGM on 27 October.

On the back of this stronger foundation, clearer strategy and significant opportunities to pursue, the Group is looking forward to improved performance in the year ahead and beyond.

Further information

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Equity Trustees was established in 1888 to provide independent and impartial trustee and executor services to help families throughout Australia protect their wealth. As one of Australia's largest listed independent trustees, we offer a diverse range of services to individuals, families and corporate clients including asset management, estate planning, philanthropic services and responsible entity services for external fund managers. EQT Holdings Limited is a public company listed on the Australian Securities Exchange (ASX: EQT).

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