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2017 ANNUAL GENERAL MEETING

Easton Investments Limited (**Easton** or **the Company**) will today address shareholders at its Annual General Meeting to be held in Sydney, commencing at 10:30am AEDT.

Attached is a copy of the Address to be delivered by the Chairman, Mr Kevin White, and the Presentation to be delivered by the Managing Director, Mr Greg Hayes.

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2017 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

It is pleasing to report that our Company now commands a unique position in the Australian accounting and wealth sectors.

In seeking to better serve the accounting profession and its clients, Easton has grown organically and through acquisition over recent years.

In 2014, Easton acquired the [Knowledge Shop](#) business, together with its affiliated wealth business, [Merit Wealth](#). These transactions gave Easton a pre-eminent position as a provider of training and technical help-desk support to the accounting profession.

Today, these two businesses actively engage on-line with circa 2,300 accounting firms nationally.

In 2017, Easton completed a second transformational acquisition with the purchase of the [GPS Wealth](#) business. This transaction strengthens Easton's ability to provide wealth solutions to accountants and financial planners (advisers). It also repositions Easton with enhanced scale and prospects, in particular with an anticipated significant uplift in revenue and maintainable earnings.

In between time, we added to our service capability to the accounting sector with an investment in two corporate document providers – [Law Central](#) and [Panthercorp](#) – which expanded our reach to circa 3,300 accounting firms nationally.

At the same time, the number of accountants and advisers operating under an Easton license (AFSL) has risen sharply to over 620, being comprised of 186 advisers (Authorised Representatives) and 443 accountants (Limited Authorised Representatives). This places Easton in the Top Ten advisory groups in the Australian market by the number of advisers.

An important recent addition, resulting from the GPS Wealth acquisition, has been our CARE investment platform which now has funds under management in excess of \$750 million and increasing monthly.

This pre-eminent position in providing services to the accounting sector – represented by deep and active engagement with a large number of accounting firms – combined with a leading wealth solution, makes Easton unique.

It provides our Company with outstanding growth prospects as the accounting and wealth sectors continue to converge and work more closely together.

In particular, the fundamental drivers of the wealth sector in Australia, both past and present, are well known as the country's pool of superannuation and investment funds continues to rise exponentially. It is also similarly acknowledged that the accounting sector is a primary point of access to the wealth sector.



Earnings Performance

Our Company has had good earnings and earnings per share growth over the prior three years.

Momentum was disrupted in 2016/17 with a flat year-on-year result due to the impact of a business divestment and the loss of an offshore distribution agreement – both being legacy, non-core activities.

Allowing for these one-off factors, Directors consider the 2016/17 underlying profit result to be a satisfactory outcome given that it was in line with prior year performance.

With those factors behind us – and having completed the GPS acquisition – Directors are looking to regain profit momentum in keeping with previous years.

Looking Ahead

Our Company is focussed on further strengthening its presence in the accounting sector and building our wealth division in acknowledgment that accountants remain the natural and trusted gatekeepers to the wealth sector, especially for self-managed super funds.

Consistent with this intention, we plan to grow the number of licensed advisers and to increase funds under advice and funds under management using our CARE investment solution.

We expect to achieve strong organic growth in coming years through leverage, synergies, integration and continued growth in core business metrics.

I would draw particular attention to the GPS Wealth business which is a recognised, industry-leader in the wealth space as a result of its investment in client engagement tools, investment processes and solutions, and adviser coaching, training and development.

This business is expected to grow strongly as more advisers look to move from bank and other institutional networks, and as these large product-orientated businesses look to jettison their adviser networks for various reasons, including issues of independence and conflict. The recent announcement by ANZ to sell its financial planning operations to IOOF is consistent with this trend.

Whilst Directors are anticipating a sharp jump in underlying earnings and underlying earnings per share in the current 12 months on the back of the GPS Wealth transaction, we regard this as another step as we look to drive and enhance the Company's inherent value over a five year horizon by investing in and realising the intrinsic potential of our existing businesses.

We will also remain alert to inorganic growth opportunities, as we have over recent years. However, Directors remain focused on creating value for our shareholders and we will only transact where we clearly perceive sustainable value for our Company – as we have with GPS Wealth and before that with Knowledge Shop and Merit Wealth.

Directors expect the Company to be re-rated by the market as we continue to build scale, grow earnings, and demonstrate the value of Easton's unique position in the distribution segment of the financial services sector.

Shareholders should take confidence from the fact that every Director has individually invested in the Company over the past six months.

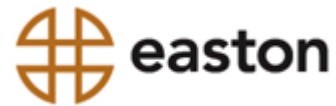


Acknowledgements

Before handing over to our Managing Director, Greg Hayes, I would like to welcome Grahame Evans to our Company as an Executive Director of Easton and heading up our Wealth division following the acquisition of GPS Wealth where Grahame was and continues to be the CEO. I would also like to welcome to Easton the rest of the GPS Wealth team, including management, staff and advisers.

With Grahame and Greg, we now have two very experienced and very capable business leaders, each with separate but complementary backgrounds, experience and knowledge to take our Company to the next level.

Finally, I would like to acknowledge Greg's on-going commitment to our Company's growth and development and similarly acknowledge the hard work and efforts of our management team and staff who, under Greg's leadership, have been responsible for the Company's growth and performance over the last 12 months and who are integral to our future success.



**2017 ANNUAL GENERAL MEETING
MANAGING DIRECTOR'S PRESENTATION**

Thank you Mr Chairman.

Good morning ladies and gentlemen and thank you for joining us today.

I will now take you through my presentation, which provides a review of fiscal 2017 and a brief update on 1st quarter progress.

– Presentation follows –



Easton Investments
Limited
2017 ANNUAL
GENERAL MEETING

Greg Hayes – Managing Director

22 November, 2017

GROUP STRATEGY



Easton Investment's strategy is to be a dominant supplier to the accounting and financial advice channel and their clients

Business overview

Solutions for the Accounting Profession

KNOWLEDGE
SHOP



Hayes Knight



law central
Legal Documents Online

Wealth & solutions for Advisors



FIRST FINANCIAL
easton

FY17 Operational Highlights

- ❑ Quality strategic acquisitions
 - ❑ GPS Wealth
 - ❑ Panthercorp
- ❑ Growth in our Limited Authorisation service for accountants – now one of the largest in Australia
- ❑ Increase in number of training hours delivered
- ❑ Pay on demand online training developed and now operational

FY17 Key Growth Metrics

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



FY17 Financial Highlights

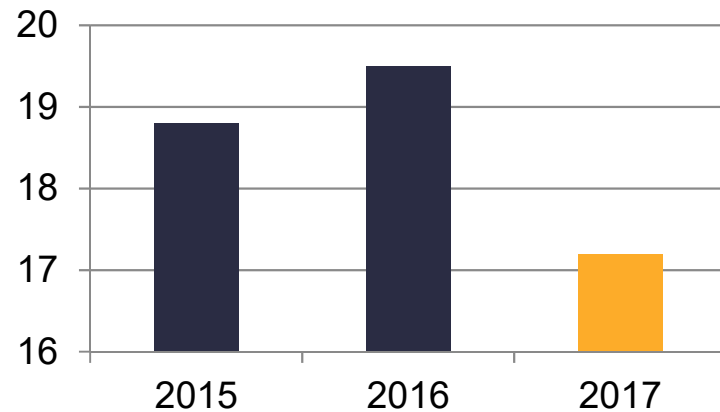
- ❑ Group revenue \$17.23 mill – down 11%⁽¹⁾
- ❑ Normalised EBITA \$3.31 mill – down 0.8%⁽²⁾
- ❑ NPAT \$1.48 mill – up 520% (primarily due to non cash impairment charge, Harmony Distribution business, in FY16)
- ❑ Net cash flow from operations \$1.58 mill (significant one off working capital impact from finalisation of Harmony Distribution business – circa \$800K)
- ❑ Cash position \$2.64 mill
- ❑ Debt Nil – with undrawn bank facility \$10 mill (partial draw down post June 30 to assist completion of the GPS transaction)

(1) Representative of lost revenue contribution from the divestment of Harmony business in FY17

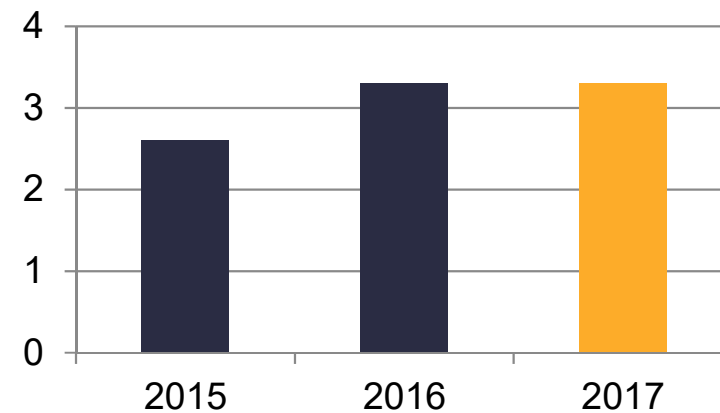
(2) Steady EBITA maintained as a result of growth in core businesses replacing Harmony contribution

Overview of financial performance

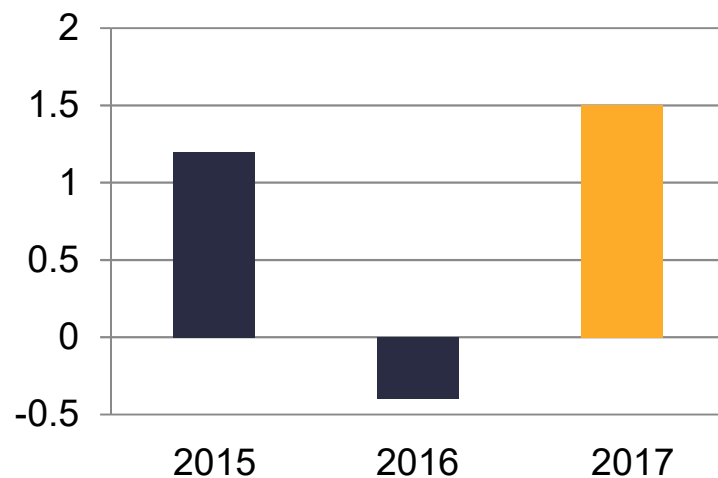
Revenue



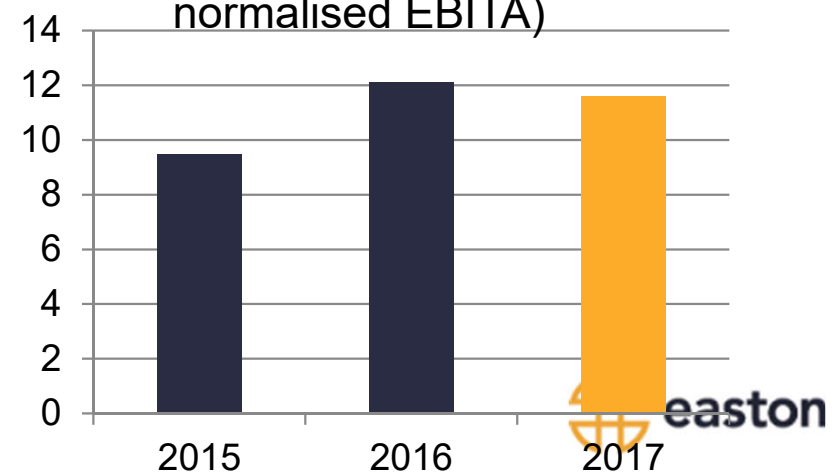
Normalised EBITA



NPAT



Earnings per Share (on normalised EBITA)



Strategic Acquisitions

GPS Wealth

Overview:

- ❑ Completion of transaction and 100% ownership from 7 September, 2017
- ❑ Delivers:
 - ❑ Significant uplift in scale
 - ❑ Over 300 Advisers (ARs & LARs)
 - ❑ Enhanced advice resources & client engagement tools
 - ❑ CARE investment models
- ❑ Forecast EBITA run rate by 30 June, 2018, \$2.5 mill, increasing to > \$3 mill in 2019 year

Strategic Acquisitions

GPS Wealth

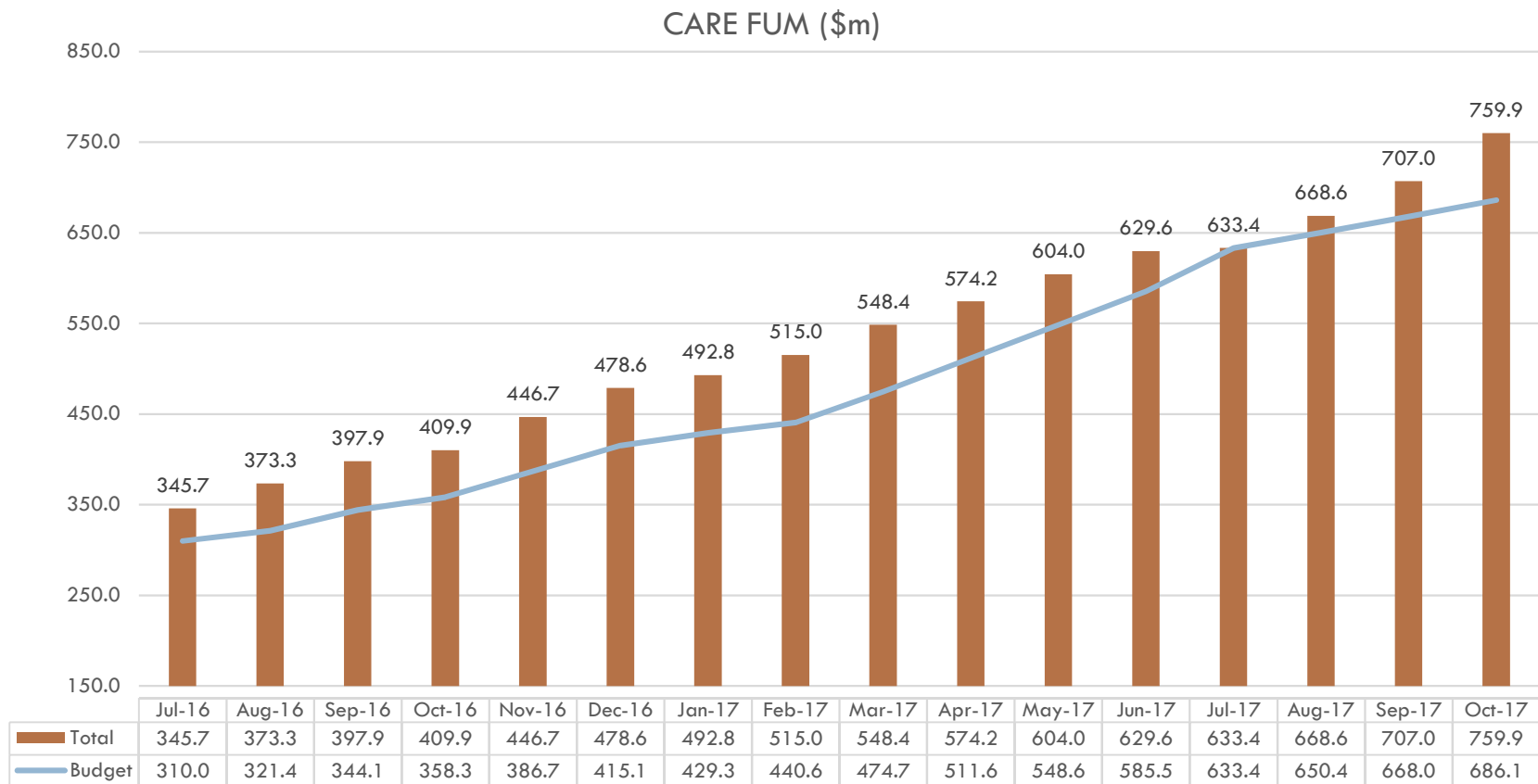
Integration:

- ❑ A 100 day program commenced in late September to manage transition and action changes to produce synergy benefits
- ❑ The program covers all financial and non financial aspects of the business
- ❑ Annualised cost savings of over \$1 million have now been implemented

CARE

- ❑ Our own investment philosophy
- ❑ Delivered through Managed Accounts on platforms HUB 24 and Netwealth
- ❑ Managed by the GPS Investment Committee
- ❑ Launched in 2014 - grew to \$629 mill at 30 June, 2017 (\$760 mill at 31 October, 2017)

CARE growth history



Strategic value

GPS Wealth

- ❑ Significant focus on the transition & integration of the business
- ❑ Immediate cost savings implemented
- ❑ CARE introduced to other wealth business units
- ❑ Synergy benefits identified and prioritised

How we've grown this year

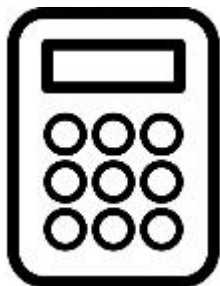
Key Pillars

Wealth Services



- Adviser numbers > 600
 - 186 ARs
 - 443 LARs
- FUA - \$3.6 bill (including CARE)
- CARE FUM – increased from \$629m to \$760m (31 October)
- Annual Risk Premiums - \$49 mill

Accounting Services



- Training programs delivered YTD – 29
 - 14 F2F
 - 15 Webinars
- Development of an enhanced training model for release in February 2018
- Knowledge Shop new members YTD - 30
- Knowledge Shop firms signed up with Law Central - 561

Positioned for future growth

Accounting and wealth converging

- ❑ Easton uniquely positioned to service the accounting channel as convergence increases
- ❑ High barriers to entry to achieve our market position
- ❑ Combined capability in accounting & wealth services should deliver enhanced gains

FY18 Outlook

- ❑ Strong growth in earnings & earnings per share
- ❑ Continuing 2nd half of year earnings bias (2016: 37% H1 & 63% H2)
- ❑ 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 wealth as accountants increase their engagement with wealth advice
- ❑ Consideration of strategic acquisitions on a selective basis

Disclaimer

The information contained in this presentation is not intended to be exhaustive and must be considered in conjunction with all other publicly available information disclosed by Easton to the Australia Securities Exchange from time to time.

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