

Via ASX Online**ASX ANNOUNCEMENT – 21 February 2018**ASX Market Announcements Office
ASX Limited**2017/18 First Half Results**

Easton Investments Limited (**Easton** or **the Company**) releases its results for the half-year ended 31 December 2017.

Snapshot – Key Highlights

- Transformational acquisition of GPS Wealth during the 1st half has repositioned Easton with enhanced scale and prospects:
 - Group revenue for the 6-months to 31 December 2017 up 161% to \$22.13m (2016: \$8.49m)
 - Top 10 advisory group in Australia by the number of advisers
 - A clear plan to lead the convergence of accounting and wealth services in Australia
 - Currently providing solutions to more than 2,500 accounting firms and circa 600 Authorised Representatives
- Earnings growth back on track:
 - Underlying Profit for the 6-months up 23% to \$1.55m (2016: \$1.26m)
 - On-going long-term focused investment in organic growth opportunities
 - Earnings momentum regained
- Initial contribution from GPS Wealth:
 - Acquisition effective from 11 August 2017, transition plans substantially completed
 - Synergies and operational efficiencies across wealth businesses are being progressively realised
 - CARE investment solution (**CARE**) performing well and growing strongly – funds under management at 31 December 2017 of \$816m (30 June 2017: \$630m)
- Outlook for 2nd half earnings is strong:
 - Earnings bias to 2nd half across all businesses
 - Full 6-month contribution from GPS Wealth (compared with part contribution in 1st half)
 - Continued growth in the number of Authorised Representatives
 - Knowledge Shop to offer a first of its kind, on-demand, interactive, competency-based video training. This important innovation, together with in-house training now provided as a result of the acquisition of a 65% interest in Taxbytes, effective 11 January 2018, provides the most complete training offer for Accountants in Australia.
- Longer term outlook remains positive on the back of anticipated organic revenue growth and increased earnings, combined with selective acquisition opportunities consistent with the Company's strategic direction.



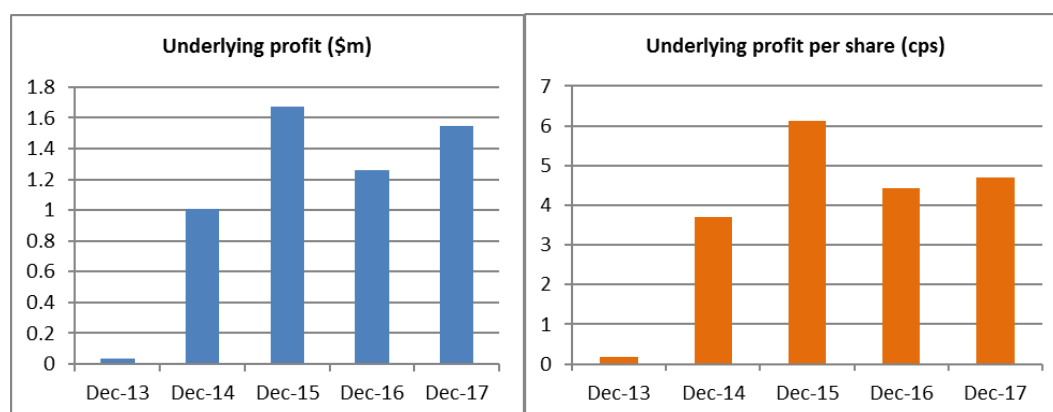
Financial Performance

Increased revenue was an important 1st half highlight, rising 161% to \$22.13m (2016: \$8.49m).

Statutory Profit¹ was \$0.53m compared with the corresponding 2016 result of \$0.56m.

Underlying Profit² was \$1.55m compared with the corresponding 2016 result of \$1.26m, an increase of 23%.

Directors consider Underlying Profit to be a preferred measure of earnings performance over the period.



Underlying Profit per share increased by 6% to 4.7 cents after allowing for the issue of 6.45 million Easton shares pursuant to the acquisition of GPS Wealth.

This acquisition also involved a cash component of circa \$10m which was satisfied by surplus cash held by the Company, together with bank borrowings. The Company's net debt position at balance date was \$7.76m.

Strategy Update

Easton recognises the convergence that is occurring in the accounting and wealth sectors of the Australian market. With an integrated suite of accounting and wealth management solutions and an established client base of more than 2,500 accounting firms and circa 600 Authorised Representatives, the Company is uniquely positioned at the forefront of this convergence.

¹ Statutory Profit is Net Profit after Tax.

² Underlying Profit is Normalised Earnings before Interest, Tax and Amortisation. Underlying Profit is a non-IFRS measure and is used by the Company to assess performance as it excludes non-cash amortization, share based payment charges and one-off or non-operational items.



Outlook

Directors expect further improvement in underlying performance in the 2nd half.

Notably, the Company's core businesses have a 2nd half bias to earnings, as reflected in prior year results.

Further, Directors expect an increased earnings contribution from GPS Wealth in the 2nd half, including from cost synergies realised in the 1st half, together with continued organic growth in CARE and other core businesses.

Knowledge Shop's expanded training capability, which now includes interactive, competency-based video training and in-house training, provides a complete suite of training options for accountants in public practice when combined with the existing face-to-face and webinar formats. This expanded training service should accelerate earnings growth from this area of the business, both in the near and longer term.

At the same time, the number of Authorised Representatives operating under the GPS Wealth and Merit Wealth AFSLs is expected to continue to grow over the next 6 months and beyond.

More generally, with a relatively high level of internal leverage and with an increasing utilisation of online delivery, the Company's businesses overall should provide ongoing revenue growth and increased earnings over coming years.

Whilst the Company will continue to investigate and assess acquisition opportunities, the primary focus will remain on consolidation and organic growth given the earnings potential from synergies, business improvement and market opportunities within our existing businesses.

The Company is well positioned with excellent prospects to grow in future years as it moves to capitalize on its unique position in the accounting and wealth sectors with an integrated, solutions-based approach to capture opportunities as these sectors continue to converge over time.

Other Information

The following information has been released to the market:

1. Appendix 4D - Easton's Half Year Report for the period ended 31 December 2017
2. Directors Report and Interim Financial Report for the period ended 31 December 2017
3. 2017/18 First Half Results Presentation dated 21 February 2018.

Greg Hayes
Managing Director

Ph. 02 9221 6666

Mobile 0419 298 536

Email greg.hayes@eastoninvestments.com.au