

EASTON INVESTMENTS LIMITED

Presentation & 2018 First Half Results

Greg Hayes
Managing Director
21 February 2018



2018: A Transformational Year

EXPAND

GPS Wealth **acquisition creates critical scale** and opportunity for the Wealth Solutions division

SIMPLIFY

A tighter **focus created by simplifying** the company into Wealth Solutions and Accounting Solutions divisions

LEAD

Places us in a **unique position to lead** the convergence of Accounting and Wealth in Australia

GROW

Our first half has set the platform for a **period of strong growth**

First half 2018 summary

Revenue	\$22.13 m	▲	161% PCP
NPAT	\$0.53 m	▼	5% PCP
Normalised EBITA	\$1.55 m	▲	23% PCP

- Revenue and earnings profile changed with acquisition of GPS Wealth
- All businesses continue to have a strong 2nd half earnings bias

Who we are today..

Easton Investments is the only ASX listed company focused solely on providing integrated accounting and wealth management services to the Australian market.

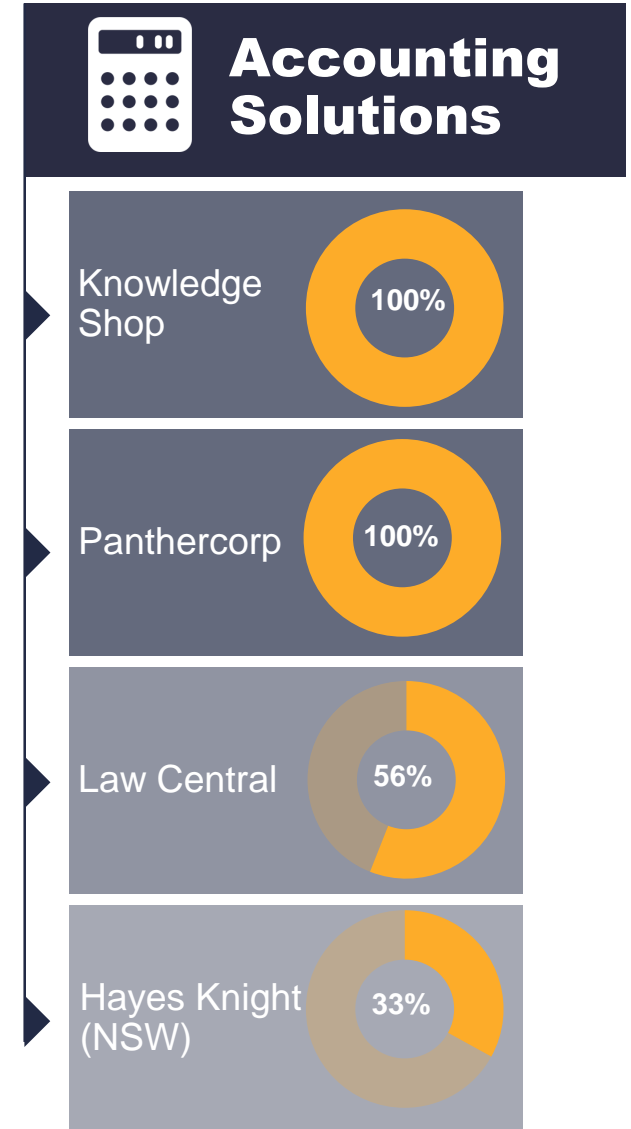
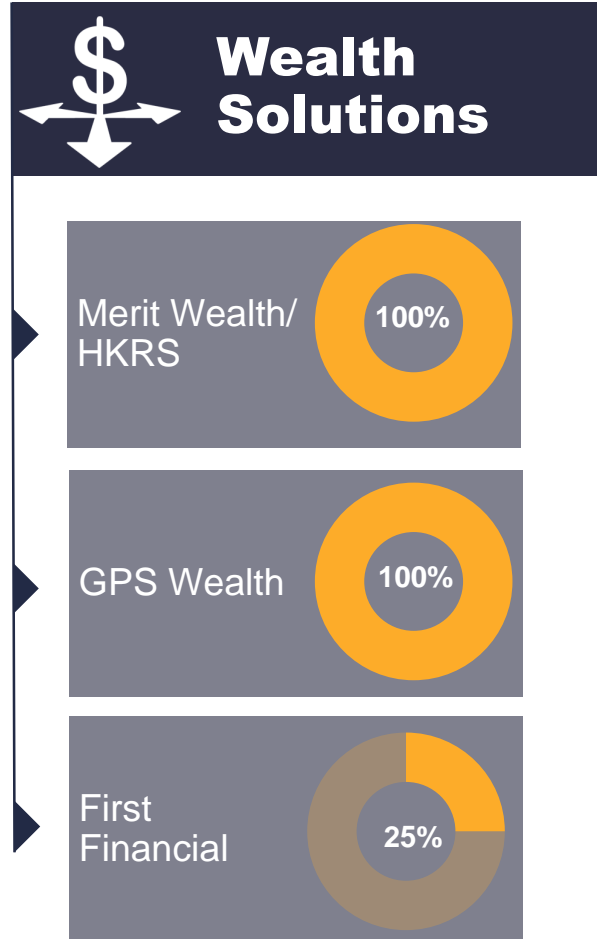


The company has established deep industry relationships through its leading network of brands that provide resources and support to over 2,500 accounting practices and 100 financial planning businesses and their clients across the country.

Easton Investments' unique business offering places it at the forefront of a growing market in the convergence of accounting and wealth management services.

Who we are today...

Our two core business streams



A solid platform of relationships that underpin strength and potential for growth...

Our current wealth and accounting engagement



Accounting solutions

engagement with more than 2,500 accounting firms across Australia



Wealth solutions

Approximately 600 Authorised representatives
86% engaged with accounting firms

Financial Highlights



Underlying Performance 2018

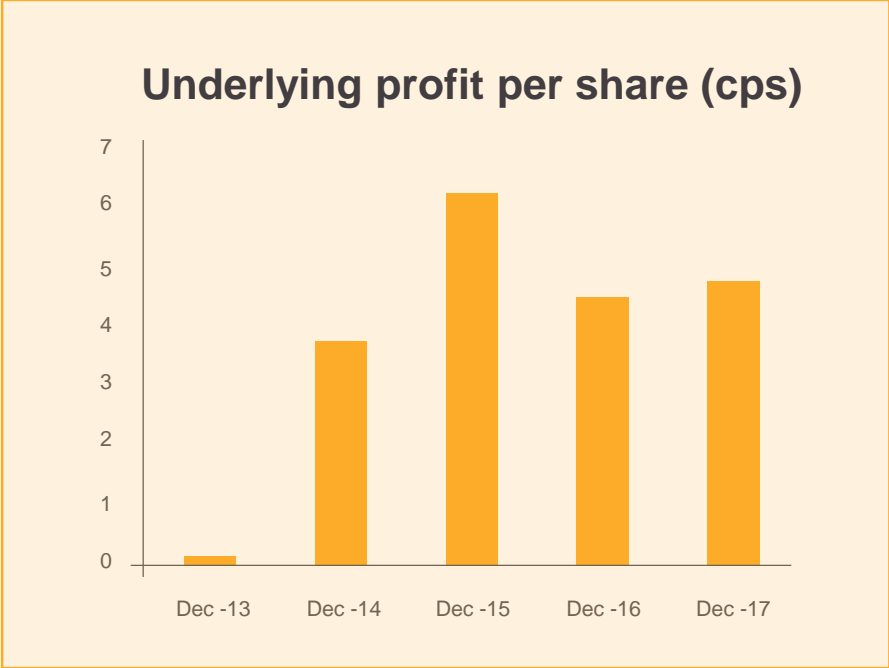
Key drivers

1 st Half	2018 (\$m)	2017 (\$m)	Movement %	2016 (\$m)	2015 (\$m)
Underlying Profit	1.55	1.26	23	1.68	1.01

- Knowledge Shop providing strong earnings contribution
- GPS Wealth part year contribution
- Ongoing investment in organic growth expensed in full

Note: Underlying Profit = Normalised EBITA

Underlying first half profit trend tracking in the right direction



Note: Comparison of December 2017 result with prior corresponding periods

Cash flow from operations

1 st Half	2018 (\$m)	2017 (\$m)	Movement %	2016 (\$m)
EBITA cash	(0.16)	0.51	(132)	1.32
Interest	(0.18)	(0.02)		(0.02)
Tax	(0.30)	-		-
Net cash from operating activities	(0.64)	0.49	(230)	1.30

- Increased working capital demand from new businesses
- Timing differences related to equity accounted investments
- Timing differences in income recognition on some revenue streams
- Some additional costs associated with the GPS Wealth acquisition and transition program

Balance sheet & Funding

Sound financial position

- Loan facilities drawn down to assist in funding the GPS acquisition
- Net debt at balance date \$7.76 m
- Cash position and undrawn facility \$2.37 m
- Anticipated positive cash flow from operations to provide funding for growth and debt amortisation

Operational highlights



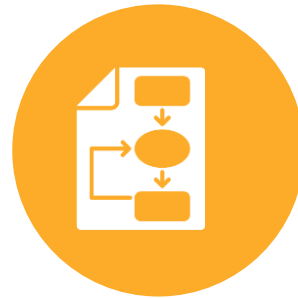
GPS Wealth integration



GPS WEALTH

Substantially completed in the December quarter.

- ✓ People
- ✓ Process
- ✓ Infrastructure
- ✓ Back office functions being harmonised
- ✓ Synergy savings will flow through progressively during 2018

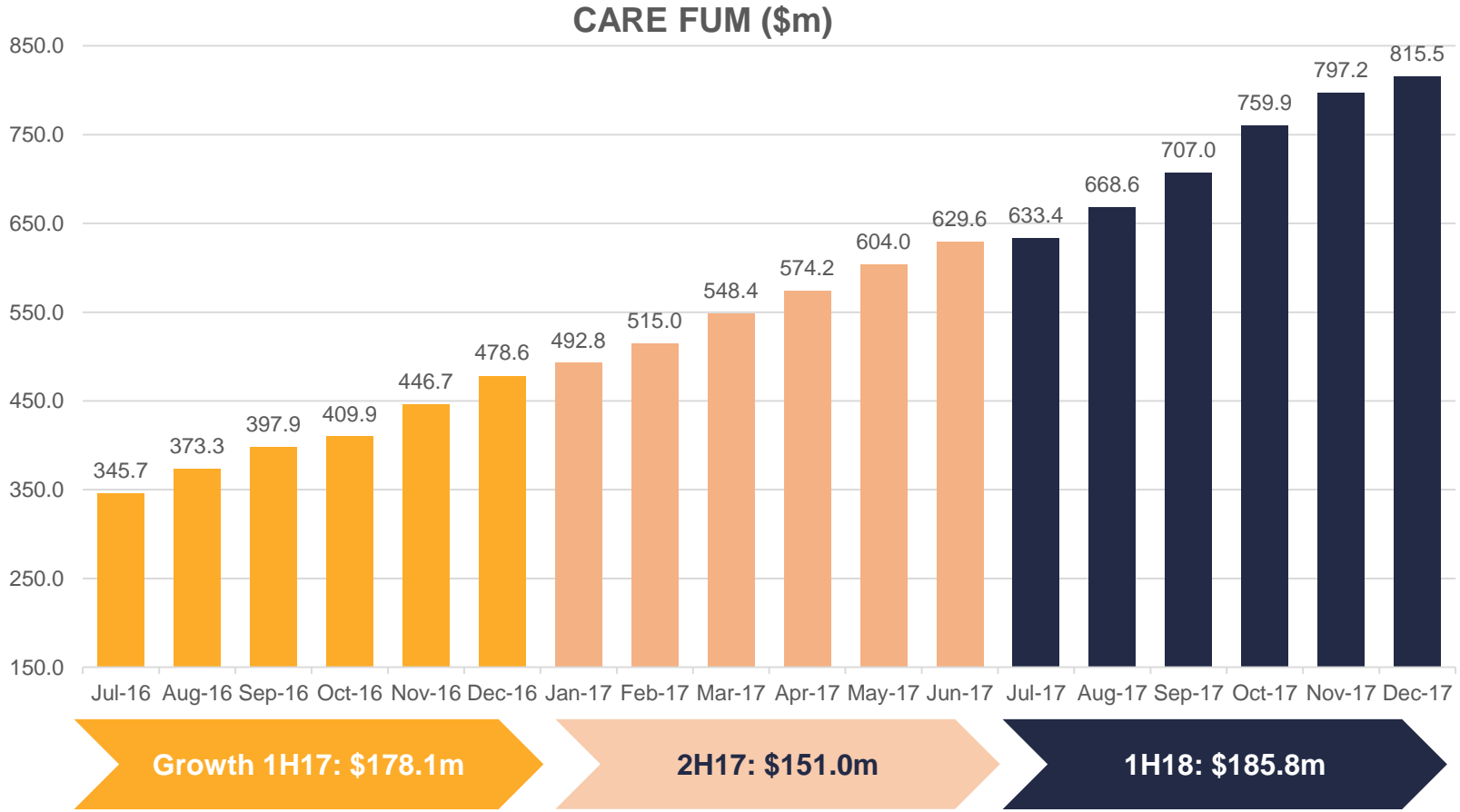


CARE Managed Accounts

A new and exciting offer

- A strong part of the GPS Wealth business
- CARE to be offered through our other wealth businesses
- Our own investment philosophy managed by a high quality Investment Committee
- Available on HUB 24 and Netwealth platforms – further platform availability expected

Growth in CARE



Knowledge Shop training launch (KS IQ)

February 2018

- Competency based video training – the first of its kind for small to medium accounting firms
- Training that follows career progression
- Online, interactive, tested & packaged to cover key learning areas for accountants at different experience levels
- Accessible 24/7 through a range of mediums
- Full visibility for participant and employer
- Provides a full years training in one package
- Launches February 2018



You can have the training you need
Anywhere you want
Any time you want

**Introducing
Knowledge Shop IQ**

Targeted. Measureable. Better



Objectives of the law
Why do the Deeds of Service have to be
signed?

As a general principle, when a deed is
delivered from one person to another it is
an offer, then that person should
deliberately sign the deed to be bound

**On-demand, interactive video
based PD for firms of every
size is now a reality.**

Our latest acquisition

KNOWLEDGE
SHOP

Taxbytes

We can now offer the most complete training service available to the accounting profession

- Purchase of 65% interest in Taxbytes (a tax training business) in January 2018
- Right to purchase remaining 35% in 3 years

With this acquisition Knowledge Shop now offers all forms of training, including:

- Face to face training
- In house training
- Webinars
- Competency based video training package (KS IQ)

Strategy and Outlook



Group strategy

To lead the **convergence** of
accounting and wealth services in
Australia, with an integrated and
modern approach



Key pillars



Unlock opportunities to distribute wealth solutions within the accounting sector

Have the largest LAR adviser network in Australia by 2020



Expand reach and drive growth of business across all product offerings

CARE to \$2.5b of funds under management by 2020



Innovate through delivery of enhanced web-based training programs and client engagement tools

Deliver 65,000 training hours per annum by 2020



Be the accounting markets first choice of **trusted partner** for accounting and wealth solutions

Be recognised as the leader in accounting & wealth convergence in Australia

FY18 Outlook

Strong growth in earnings in 2nd half to be delivered from:

- **Continuing 2nd half earnings bias**
- **Full half contribution from GPS Wealth with synergy savings beginning to realise**
- **Growth in training business**
- **Organic growth from business units**
- **Increasing leverage from accounting & wealth convergence**

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.

This presentation does not take into consideration the investment objectives, financial situation or circumstances of any particular investor.

Certain statements in the presentation relate to the future. Such statements involve known and unknown risks and uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results, performance or achievements expressed or implied by those statements. Easton does not give any representation, assurance or guarantee that the events expressed or implied in any forward looking statements in this presentation will actually occur and you are cautioned not to place undue reliance on such forward looking statements.

This presentation has not been subject to auditor review.