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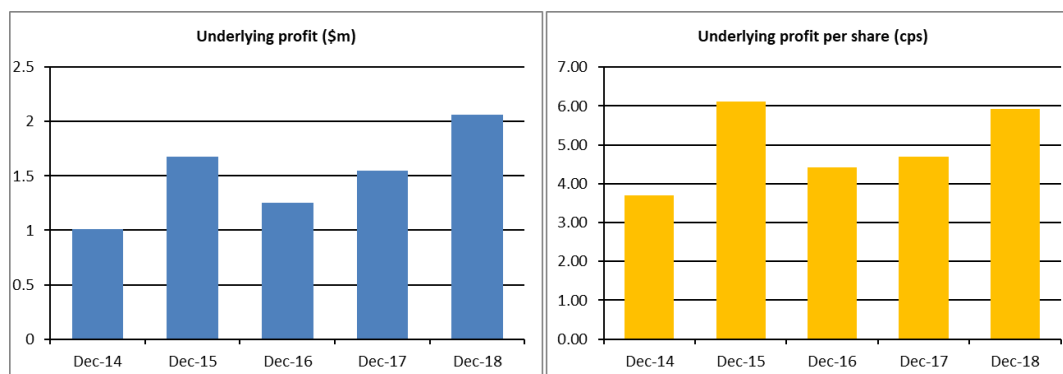
2018/19 First Half Results

Easton Investments Limited (**Easton or the Company**) releases its results for the half-year ended 31 December 2018.

Financial Highlights

An excellent first half result on the back of strong organic growth across both operating divisions:

- ✚ Statutory Profit¹ up 89% to \$1.0m (2017: \$0.53m)
- ✚ Underlying Profit² up 33% to \$2.06m (2017: \$1.55m) – **a record 1st half result for the Company**
- ✚ Underlying Profit per share up 26% to 5.9 cents (2017: 4.7 cents)
- ✚ Revenue up 33% to \$29.51m (2017: \$22.12m)
- ✚ Profit contribution from the Wealth Solutions division up 42% to \$1.69m (2017: \$1.19m)
- ✚ Profit contribution from the Accounting Solutions division up 14% to \$1.31m (2017: \$1.15m)



Maiden Interim Dividend

Based on the Company's higher earnings and outlook, Directors have declared a maiden interim dividend of 1 cent per share, fully franked, with a record date of 26 April 2019. This dividend will be paid to shareholders on 10 May 2019 and follows the FY18 final dividend of 2 cents per share.

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 amortisation, share based payment charges and one-off or non-operational items.



Operating Highlights

Both of the Company's operating divisions reported improved performance for the 1st half, with the following headline outcomes:

- ✚ Out-performance by the Wealth Solutions division in growing the number of advisers on license, to 906 Authorised Representatives, 699 of which are Limited Authorised Representatives (LARs), representing an increase of 293 LARs in the six month period – Easton ranks as a Top 10 advisory group in Australia by the number of advisers.
- ✚ Continued growth in CARE Managed Accounts (**CARE**) to \$1.0bn – despite market volatility in the last quarter, monthly inflows supported growth.
- ✚ Strong performance by the Accounting Solutions division on the back of continued growth in Knowledge Shop membership and training – technical support, education and PD provided to circa 3,000 accounting firms.
- ✚ Combined divisional contribution of \$3.0m (2017: \$2.34m) includes significant on-going investment in organic growth opportunities to underpin sustainable, long-term growth – focus on delivery of online services and growth in recurring revenue streams.

Capital Management

During the 1st half, the Company implemented an on-market share buy-back plan as Directors believe that shares in Easton are under-valued by the market and represent excellent value at current trading levels. At balance date, 48,872 shares have been purchased on-market and cancelled and 198,122 shares as at the date of this announcement.

Cash Flow and Financial Position

Cash generated from operations during the 1st half was \$1.21 million (2017: outflow \$0.16 million). In addition, the Company received cash dividends from Associates of \$0.80 million.

This cash flow has provided adequate funds to meet capital commitments, service debt, pay dividends and allow the Company to implement a share buy-back plan.

At balance date, net debt after including cash reserves, amounted to \$6.49 million (31 December 2017: \$7.76 million).

Outlook

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

Notably, the Company's core businesses have a strong 2nd half bias to earnings, as reflected in prior year results. This is partly due to continuing organic growth and also a natural seasonal business skew.



The Directors believe that the Company is on an exciting growth path and remain extremely positive about the Company's prospects over the medium to long term outlook on the back of a number of discrete growth opportunities within and across different business units, including:

- ✚ Higher earnings flowing from the Wealth Solutions division as a result of the accelerated growth in adviser numbers, particularly in the last 6 months
- ✚ Continued growth in CARE, with enhanced potential as the managed accounts solution is more broadly offered across the Company's expanded adviser network
- ✚ Further growth in Knowledge Shop's membership base and training hours delivered to the accounting profession, including through KS IQ training program with its online, on-demand capability
- ✚ Expansion of training into the Wealth space to meet the increased education requirements under FASEA
- ✚ Growth and extension of services provided by Knowledge Shop to its market.

The Company will continue to invest in its businesses to realise these growth opportunities.

The Directors are mindful that regulatory changes and market conditions can impact Company performance when measured on a short-term comparative basis.

The Company continues to be alert to strategic acquisition opportunities, although the primary focus remains on organic growth given the earnings potential on the back of regulatory and industry changes.

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 2018
2. Directors Report and Interim Financial Report for the period ended 31 December 2018
3. 2018/19 First Half Results Presentation dated 21 February 2019.

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About Easton

Easton is the only listed company with a strategy narrowly based on providing integrated accounting and wealth solutions to the Australian market.

The Company has a strong presence and deep relationships in the accounting and wealth sectors through its well-established brands that provide resources and support to over 3,000 accounting practices, circa 100 financial planning firms and over 900 licensed advisers and their clients nationally. It is ranked in the top 10 dealer (financial planning) groups in Australia by the number of advisers and is one of the largest dealer groups outside of the major institutions.

Easton's brands comprise:

Accounting Solutions	Wealth Solutions
 Knowledge Shop	 GPS Wealth
 Panthercorp	 Merit Wealth / HKRS
 Law Central	 First Financial
 Hayes Knight (NSW)	

Accounting support services include a technical, online help desk, training and professional development, practice support, document precedents and corporate documents.

Wealth support services (for accountants and financial planners) include a wide range of dealer services extending from basic licensing to client engagement tools, coaching and training and online investment and platform services.