

## **ASX Announcement**

22 July 2022

# **Centrepoint Alliance continues to build momentum with strong organic and M&A-driven growth in FY22**

Centrepoint Alliance Limited (ASX: CAF) ("Centrepoint" or "the Company"), a leading provider of advice and business services to financial advice firms throughout Australia, is pleased to announce strong unaudited FY22 financial results.

## **FY22 Financial Highlights: Strong Growth in Earnings and Profit**

- Preliminary unaudited FY22 earnings before interest, tax, depreciation and amortisation (EBITDA) of \$7.2 million (before one-off FY22 transaction costs of \$1.1 million and performance rights employee expenses of \$1.6 million). This is an increase of more than 100% from \$3.4 million in FY21
- Significantly stronger second half, with H2 FY22 EBITDA (before one-off transaction and performance rights employee expenses) of \$4.7 million, a greater than 100% increase from H2 FY21. Note this includes \$0.7m of discontinued platform rebates
- Preliminary unaudited FY22 net profit before tax (NPBT) of \$2.6 million, a year-on-year (YoY) increase of 66% spurred by growth across the Company's business units, successful M&A and diligent expense management
- Continued strong cash performance: Centrepoint Alliance generated \$6.4m in cash from operations in FY22, driving a closing cash balance of \$14.7m and providing balance sheet support for the execution of the Company's growth strategy

## **FY22 Operational Highlights**

### ***Strong Adviser Recruitment and Net Growth***

Centrepoint Alliance continues to grow its licensed adviser base of authorised representatives both organically and via acquisition. The Company ended FY22 with 517 licensed advisers. This growth was attributable to the acquisition of 175 ClearView advisers in November 2021, and an additional net growth of 27 advisers from the market.

Extending services to self-licensed firms remains a core part of Centrepoint Alliance's strategy and supported FY22 growth. Combining Centrepoint's self-licensed business with the acquisition of ClearView's self-licensed La Vista offer, the Company now has 192 self-licensed firms, with circa 788 advisers (net growth of 9 in FY22).

An efficiently integrated transformational acquisition whilst concurrently delivering solid organic net growth (in a market where most licensees have been in decline), is a strong endorsement for the quality of the company and the ability of its team to absorb large-scale acquisitions.

### **CENTREPOINT ALLIANCE LIMITED**

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### ***Growth of Centrepoint Lending***

The growth of the lending business remains a key strategic focus. The business is a boutique lending aggregator providing broking services to circa 80 mortgage brokers.

Annual settlements grew 36% from the prior year to \$900 million taking the total loan book to circa \$3.2 billion.

The business is well advanced with plans to launch a new offer, Lending as a Service (LaaS), enabling advisers to leverage Centrepoint's lending infrastructure to provide lending services to their clients.

### **Sale of Ventura Funds**

The Company is pleased to advise that it has completed the sale of Ventura Funds investment management rights to Russell Investment Management Ltd. The proceeds of the sale will be recognised in the July 2022 accounts.

This divestment is a key initiative within the Company's Asset Management strategy outlined in its H1 FY22 investor presentation. This strategy guides Centrepoint Alliance's objective to offer the highest quality asset management, competitively priced in efficient diversified portfolios.

Following the successful divestment, the Company has increased its focus on the next phases of its Asset Management strategy: to relaunch Centrepoint Alliance's Managed Account solution, Ventura Managed Account Portfolios (VMAPs), with refreshed investment options and improved pricing and functionality; and to launch a range of Separately Managed Accounts (SMAs) leveraging the Company's highly-regarded research team and working with its platform providers for distribution.

Centrepoint Alliance expects to release its audited FY22 financial results on 24 August 2022.

The release of this announcement has been authorised by the Board of Directors.

### **For further information, please contact:**

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### **About Centrepoint Alliance**

Centrepoint Alliance (ASX: CAF) is a leading provider of advice and business services to financial advice firms throughout Australia. It offers a complete suite of governance, business management, client growth and advice services that enable advisers to spend more time providing advice to their clients.

Centrepoint Alliance is proactively leading the evolution of financial advice business models in Australia. It has introduced a clear fee-based pricing model that will support the provision of more transparent and better financial advice for Australia, increasingly through the use of digital and data technology enabled solutions.

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