



CountPlus Limited (ASX: CUP)

Wilsons Rapid Insights Conference
CountPlus Limited | 20 November 2018



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Pro forma financial information

CountPlus uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as non-IFRS (International Financial Reporting Standards) financial information. CountPlus considers that this non-IFRS financial information is important to assist in evaluating CountPlus' performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the underlying operating performance of the business.

All dollar values are in Australian dollars (A\$) unless otherwise stated.

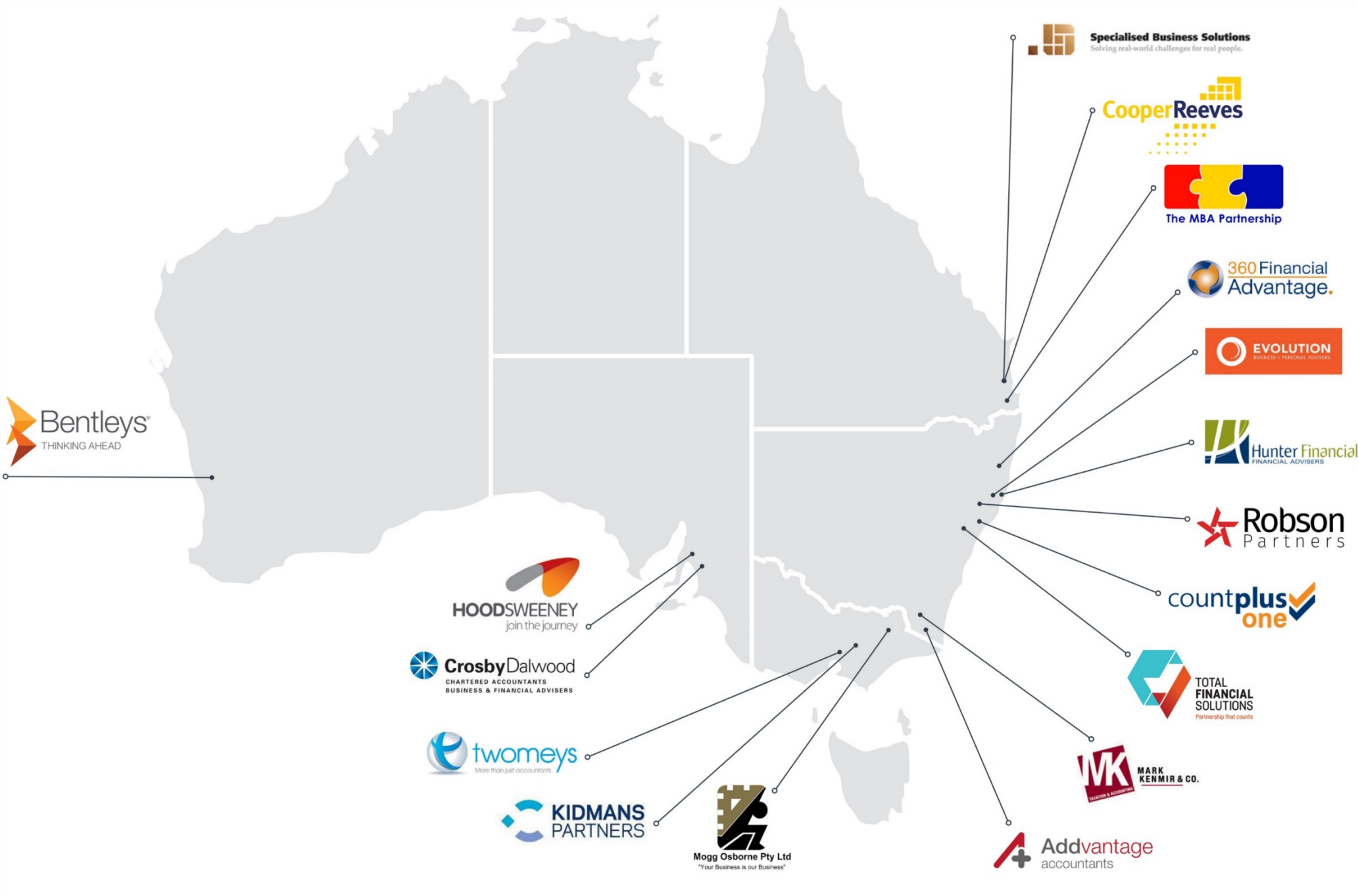
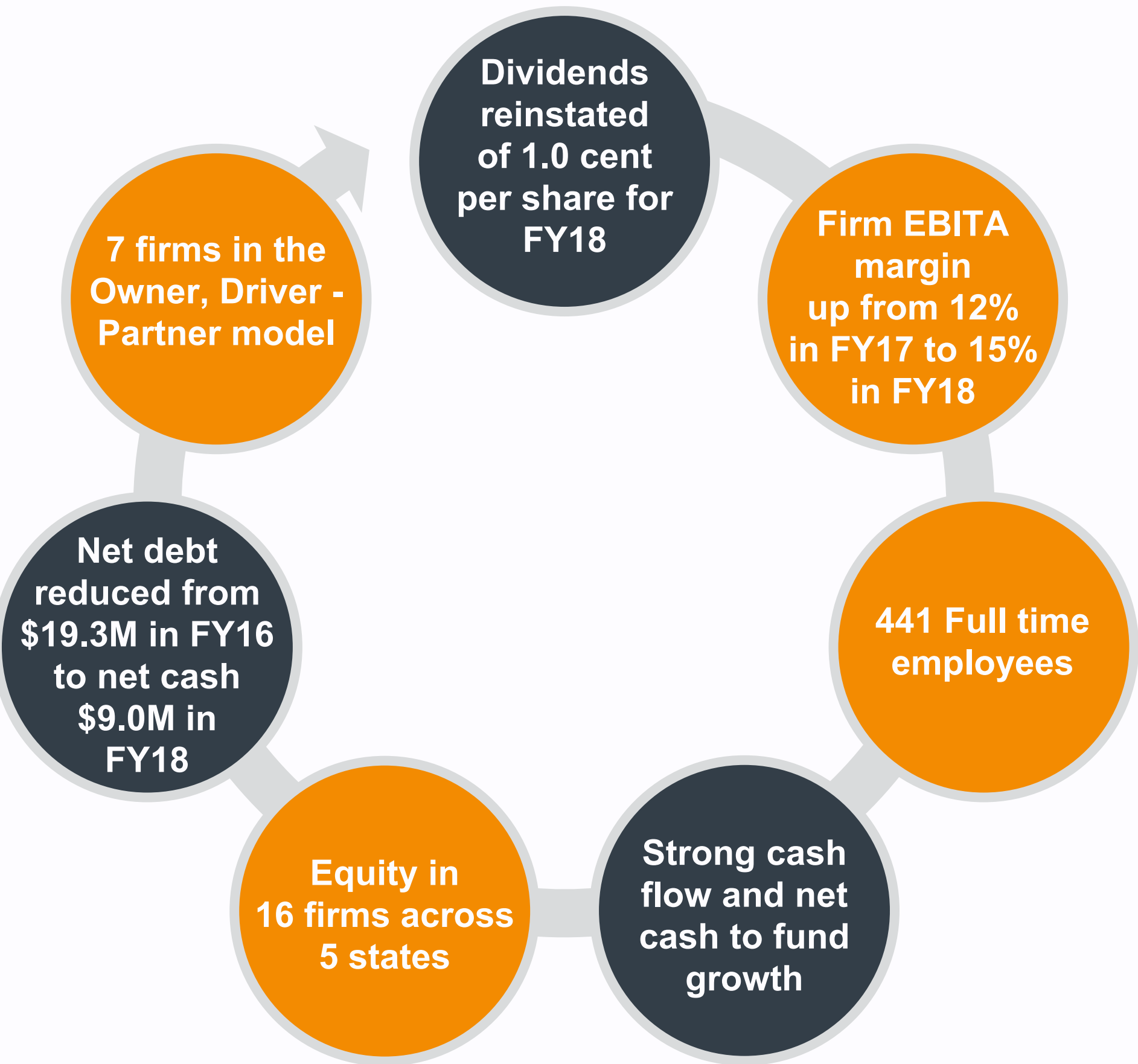
For further detail of the pro-forma financial information presented for CountPlus in the appendices, it should be read in conjunction with the results presentation released to market on 27 August 2018.

About CountPlus



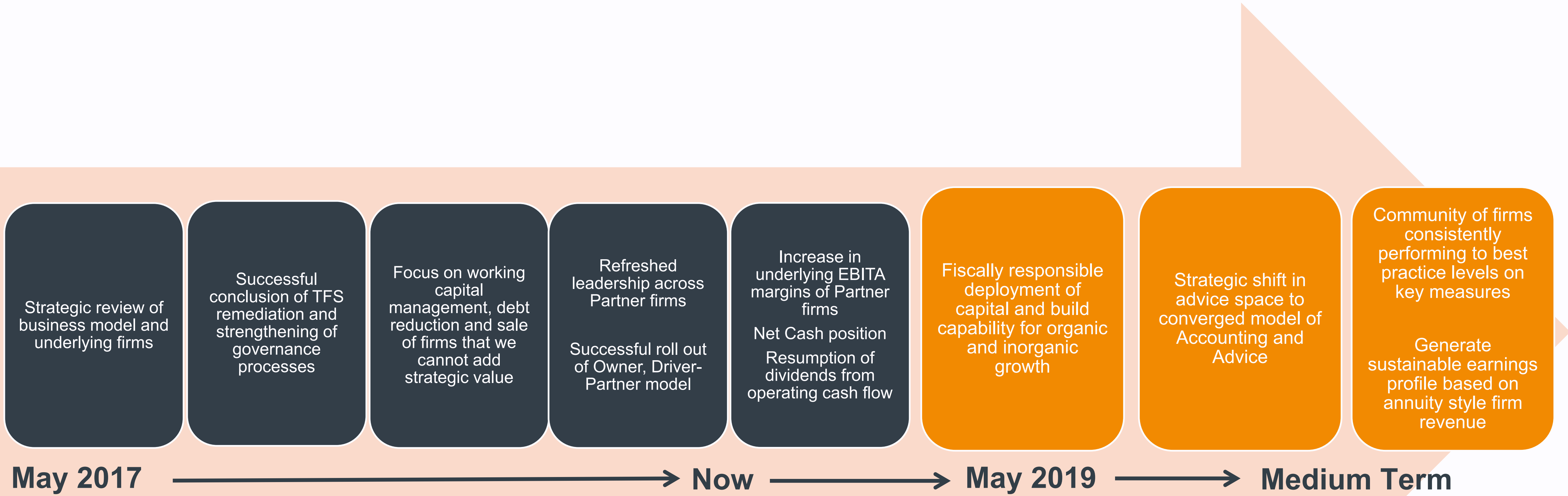
Listed on the ASX since 2010, we are a network of successful professional accounting and advice firms, **aligned through shared values, mutual success and our sense of community**

CountPlus footprint



CountPlus timeline

Two year turnaround process



Owner, Driver-Partner and Acquisition strategy

Owner, Driver-Partner model

The new 'Owner, Driver - Partner' allows the individual firm principals to own and drive their firms without loss of identity, while partnering with CountPlus using agreed team rules, shared processes and controls, improved funding and economies of scale, all of which provides security within a competitive market

CountPlus partners with selected accounting and advice firms to amplify their success without loss of ownership, drive, identity or control. This partnership allows firms to better meet current and future challenges by providing strategic support, funding capital, scalable benefits and succession planning, as well as access to a professional community who want to protect and grow what they have worked hard to create

Acquisitions

CountPlus will expand by partnering with firms that fit its “**family photograph**” and share a focus on our key strategic drivers.

We are and highly selective in who we seek to partner with and will only consider firms where we believe we could **add significant value**

CountPlus has successful Owner, Driver – Partner investments in the following firms:

- The MBA Partnership;
- Mogg Osborne;
- Robson Partners;
- Specialised Business Solutions;
- Kidman Partners;
- Hunter Financial Planning; and
- Hood Sweeney

Owner, Driver-Partner Family Photograph



Owner, Driver-Partner model

The expression ‘fits the family photograph’ defines our approach to building our aligned member firm group. Decisions to invest in, grow or exit firms will be viewed through this filter. In terms of expanding, at a high level, the right fit means member firms must show evidence of 16 attributes:

- A client value proposition
- Leadership with strong bench strength
- Strong governance structure with an Independent Chair
- Strong financial controls and management reporting in place
- An inquiring mind regarding innovation and willingness to embrace new technology and processes
- Accountability and incentive framework
- Strategic and business / operating plans in place and milestones measured against balanced scorecard
- A strong focus on culture, people and values
- Debt management and the financial health of the underlying business and principals
- Growth strategies in place with a growth mindset
- Succession planning
- Risk management framework in place
- A quality culture and framework in place with quality assurance controls and willingness to participate in ongoing peer review process
- Willingness to share best practice and be part of the CountPlus community
- A strong engagement with their respective professional community, and
- A world view that incorporates philanthropy and / or pro-bono activities.

For CountPlus shareholders our acquisition process must deliver the following:

- Earnings accretive in year one
- Firms with a growth mindset
- Firms with an Accounting and Advice “converged” business model
- Firms willing to share best practice processes within our community of firms.

Owner, Driver – Partner Investment in O’Brien announced 16/11/2018



Owner, Driver-Partner model

CountPlus Limited (ASX: CUP) has made clear its growth intentions with the acquisition of a 40% interest in the highly-regarded, Victorian-based O’Brien Accountants & Advisors (O’Brien)

The O’Brien investment is first of an expected round of selective growth transactions for CountPlus, signaling the opportunity to optimise the convergence trend between high quality accounting and advisory services firms

The acquisition extends CountPlus’ network from 16 to 17 Partner firms and will be earnings accretive. Consideration for the investment is a cash payment of \$1.164 million

CountPlus firms are significant contributors to the success of CBA owned Count Financial. CountPlus firms within the Count Financial group rank by size as the number 1 firm in NSW, Queensland, South Australia, and the ACT. O’Brien is the number 1 firm in Victoria

O’Brien Accountants & Advisors

O’Brien is a standout, second-generation family business with great people, a client-centric culture - and it brings a clear growth and values mindset in line with that of CountPlus

In 2017 O’Brien attained the status of number one quality firm in the Count Financial network nationally and is currently the largest Count member firm in Victoria

The existing O’Brien management and team will remain in place

Together with CountPlus, O’Brien will implement synergies between the two groups moving forward

Change is coming

But the ability to change isn't equal

Only 30% of Financial Advice Firms have a documented business plan

Only 32% of those Financial Advice Firms with a business plan believe the plans are achievable

24% of Financial Advice Firms believe their business growth will come from industry consolidation – mergers and acquisitions. Funding of acquisitions remains on ongoing issue.

50 years of age – the average age of Financial Advisers

161 - the average number of clients personally managed per Financial Adviser

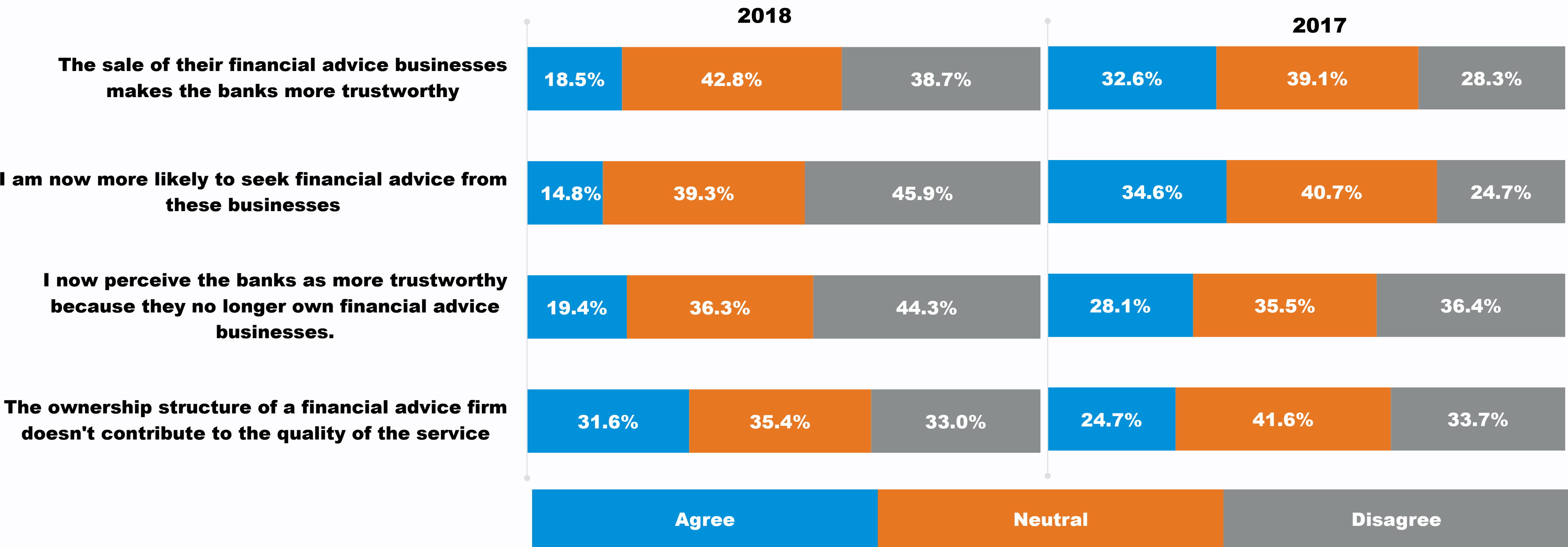
New Financial Adviser Education requirements

- 46% of Financial Advisers intend to meet the new education requirements
- 29% of Financial Advisers are still unsure what is required to meet the new requirements
- 22% of Financial Advisers may exit the industry

Banks selling wealth management

What consumers say

Proportion in agreement



Source: CORE DATA Research on behalf of CountPlus

Adjusted profit

Adjusted profit	FY18	FY17	FY16
	\$'000	\$'000	\$'000
Profit from continuing operations before income tax	2,612	569	21,811
Impairments of intangible assets	4,700	5,001	2,672
(Gain) / Loss on sale of investments	(2,258)	660	(1,290)
Revaluation of listed investment	0	0	(16,272)
(Gain) on deferred consideration	(271)	(1,106)	(245)
Termination and redundancy costs on restructure	917	45	0
Results from exited firms	(390)	265	(2,761)
Adjusted profit before tax	5,310	5,434	3,915
Pro-forma calculation of tax at group average rate	(1,546)	(1,430)	(1,029)
Adjusted profit after tax	3,764	4,004	2,887
Adjusted EPS - cents	2.48	2.75	2.03
Number of shares on issue	114,222,559	114,222,559	114,136,787
Dividends proposed	1,142		
Dividends proposed (cents)	1.0		

Note: Revised group policy on dividends: Target dividend pay-out ratio of 40% to 70% of maintainable net profit after tax attributable to CountPlus shareholders

Key issues, priorities and contributions

Key issues and priorities

- Growth of underlying member firms
- Integration of new leadership in member firms
- Growth by fiscally responsible acquisitions
- Continuation of execution of the new Owner-Driver, Partner (ODP) model with retention of key talent
- Strengthening the CountPlus network of firms encompassing a new value proposition

Accounting priorities and contributions

- Improving and sustainable organic profitability of underlying existing firms
- Organic growth strategies in place with a growth mindset
- Providing strong governance, training opportunities and ethical leadership
- Lock up days reduced to 85 days
- EBITA margin target in the short term of 20%, in the medium term our average firm margin target is 25%
- Employment costs to revenue (contribution margin) target of 60%

Financial Planning priorities and contributions

- TFS license conditions lifted by ASIC. Ongoing improvement of processes and controls
- Successful execution of the new TFS operating model
- Opportunities arising from the Royal Commission
- Providing strong governance, training opportunities and ethical leadership

Questions



THANK YOU

