



FY23 H1 RESULTS

PRESENTATION AND STRATEGY UPDATE

John Shuttleworth, CEO

Brendon Glass, CFO

February 2023



Disclaimer

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All numbers are as at 31 December 2022 unless otherwise stated. Numbers may not add up due to rounding.

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

AGENDA

BUSINESS RESULTS AND STRATEGY

John Shuttleworth, CEO

FINANCIAL RESULTS

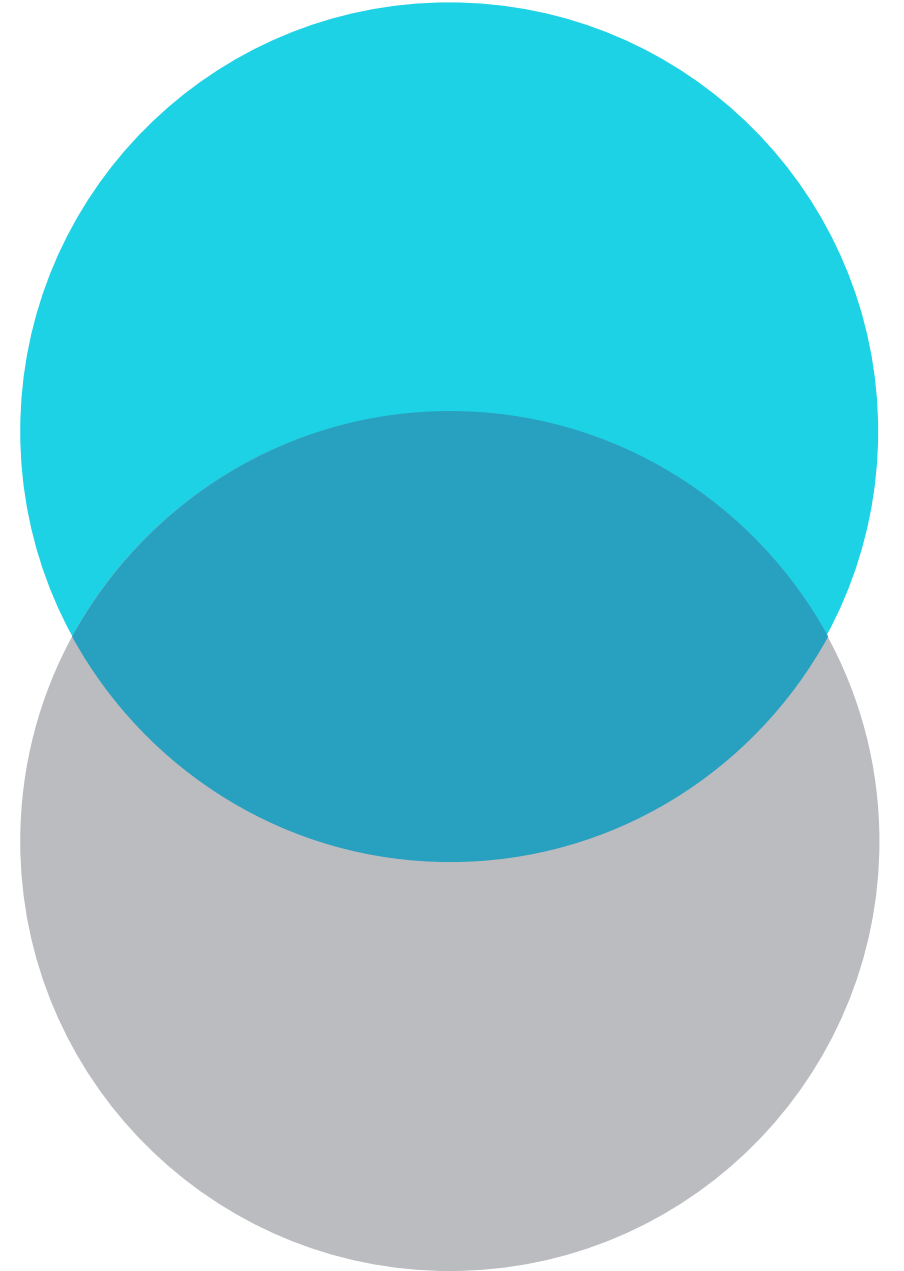
Brendon Glass, CFO

OUTLOOK

John Shuttleworth, CEO

BUSINESS RESULTS

John Shuttleworth, CEO

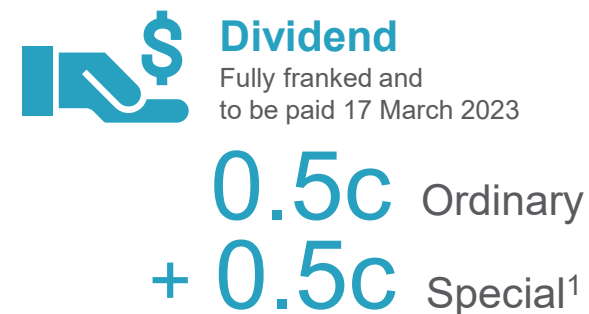
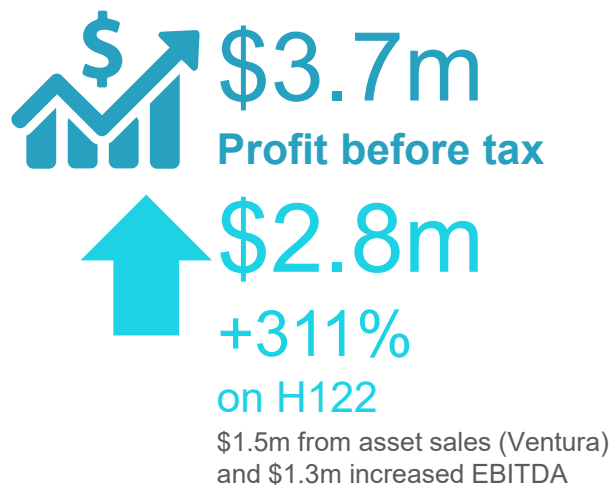
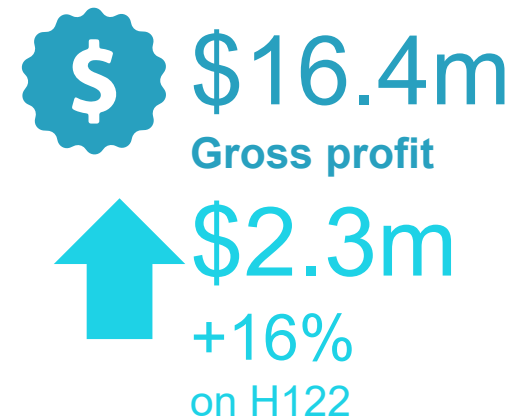
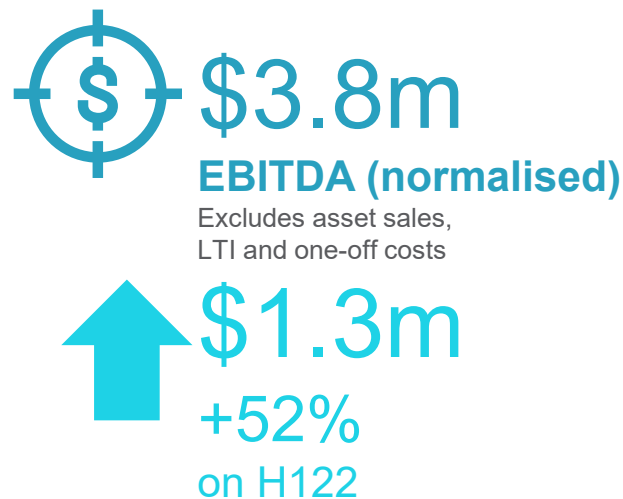


Key messages H1 FY23

THE BUSINESS IS IN A STRONG POSITION 14 MONTHS POST THE CLEARVIEW ADVICE (CVA) ACQUISITION AND FOCUSED ON GROWTH

- Proven management team that have demonstrated ability to integrate M&A targets and extract synergies
- Disciplined approach to capital management and successful sale of non-core assets
- Consistent dividend history and shareholder alignment whilst increasing balance sheet strength
- Focused on commercialising strategic initiatives and revenue adjacencies to provide value added services to advisers
- Positioned to capitalise on M&A opportunities in current environment

Snapshot of H1 FY23 results



1. Distribution from Ventura sale

Our focus over the last 14 months has resulted in improvements in key financial metrics

PRIORITIES OVER LAST 14 MONTHS

1. Consistent operating model
2. Uniform licensee pricing
3. Service level improvement
4. Increasing adviser satisfaction
5. Adviser retention
6. Margin and expense management

**GROSS
PROFIT**
\$m

15.5

14.1

16.4

EBITDA¹
\$m

2.2

2.5

3.8

**TOTAL
OVERHEADS**
\$m

4.2

3.7

3.9

H1 FY21

H1 FY22

H1 FY23











Key financial metrics have shown consistent improvement

		Pre-acquisition	CVA integration	Post-acquisition
		H1 FY21	H1 FY22	H1 FY23
EARNINGS GROWTH	Gross profit	\$15.5m	\$14.1m	\$16.4m
	EBITDA ¹	\$2.2m	\$2.5m	\$3.8m
	EBITDA margin	14%	18%	23%
REVENUE PROFILE	Recurring revenue %	87%	96%	95%
	Gross revenue	\$70.6m	\$95.5m	\$134.3m
	Gross profit margin %	22%	15%	12%
	Scale of advisers	302	511	511
	Salaried adviser revenue	\$0.9m	\$1.0m	\$1.6m
	Virtual services	\$0.7m	\$1.4m	\$1.5m
EXPENSE MANAGEMENT	Cost to income ratio	86%	82%	77%
	Headcount FTE	99.2	105.2	104.5
	Total overheads	\$4.2m	\$3.7m	\$3.9m
	Professional fees	\$1.0m	\$0.6m	\$0.5m

Note: 1 EBITDA (excluding LTI, One-Off Costs & Asset Sale).

Centrepont has performed strongly over the last two years relative to peers and is now the number 3 licensee in the market based on adviser rankings

Changes in advisers numbers by Licensee 1/1/2021 to 31/12/2022

Rank	Licensee Group	Number of ARs*	Appointments	Resignations	Net change
1	 Insignia Financial	1,073	198	941	-743
2	 AMP	931	148	722	-574
3	 CENTREPONT ALLIANCE	514	199	183	16
4	 wealthtoday	468	103	377	-274
5	 diverger	402	85	335	-250
6	 sequoia HEALTH MANAGEMENT	317	103	175	-72
7	 CountPlus	280	148	107	41
8	 Lifespan FINANCIAL PLANNING	257	91	102	-11
9	 Capstone FINANCIAL PLANNING	257	77	81	-4
10	 FORTNUM™	223	82	77	5

* Authorised Representatives

Source: Wealthdata. Note appointments and resignations of ARs of entities purchased by the Licensee Group during the period are included in the statistics.

Centrepont has a strong platform for future growth

	1	2	3	4	5
Objective	GROW # LICENCED ADVISERS	SCALE SELF-LICENCED SERVICE	GROW SALARIED CHANNEL	GROW LENDING SOLUTIONS / BROKING	BUILD PORTFOLIO SOLUTIONS BUSINESS
Baseline	511 authorised representatives	194 self-licenced firms 771 advisers	5 advisers	\$3.2bn loan book Settlements \$900m	\$295m managed account FUA
Our focus	<ul style="list-style-type: none"> Organic + acquisition Quality firms only 	<ul style="list-style-type: none"> Expand depth of services Digitise service provision 	<ul style="list-style-type: none"> Acquire 'corporatised' firms Invest in digital advice 	<ul style="list-style-type: none"> Grow aggregation business Commercialise lending as a service 	<ul style="list-style-type: none"> Launch new research driven SMAs

Strong foundation to support future growth

Sustainable financials

Profitable
Strong balance sheet
No debt

Right advisers

Quality
Strong community
Low claims

Scale

511 ARs +
194 Self-Licenced Firms
with 771 advisers

Diversified revenue

Asset Management
Lending
Technology services

Team that can execute

Organic growth
Acquisition

Update - Lending as a Service (LaaS)

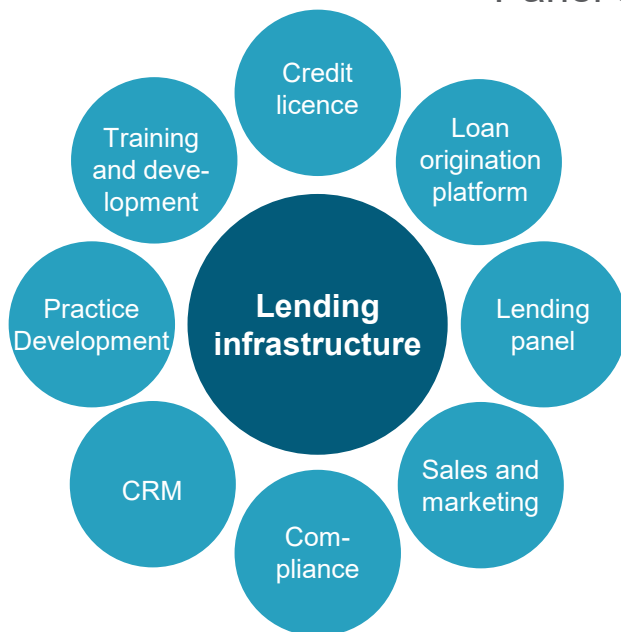
CORE BUSINESS

Boutique aggregator with infrastructure to provide lending services

80 brokers

~ **\$3bn** loan book

Panel of ~ **60** lenders



NEW SERVICE LAUNCHED SEPTEMBER 2022

- Enabling advisers to build a lending business by operating as authorised representatives under our credit licence
- Early signs positive and momentum building
- 17 of ~ 535 firms have signed up as at 21 February 2023
- 35 loans settled or approved pending settlement
- Strong pipeline of opportunities / volume building

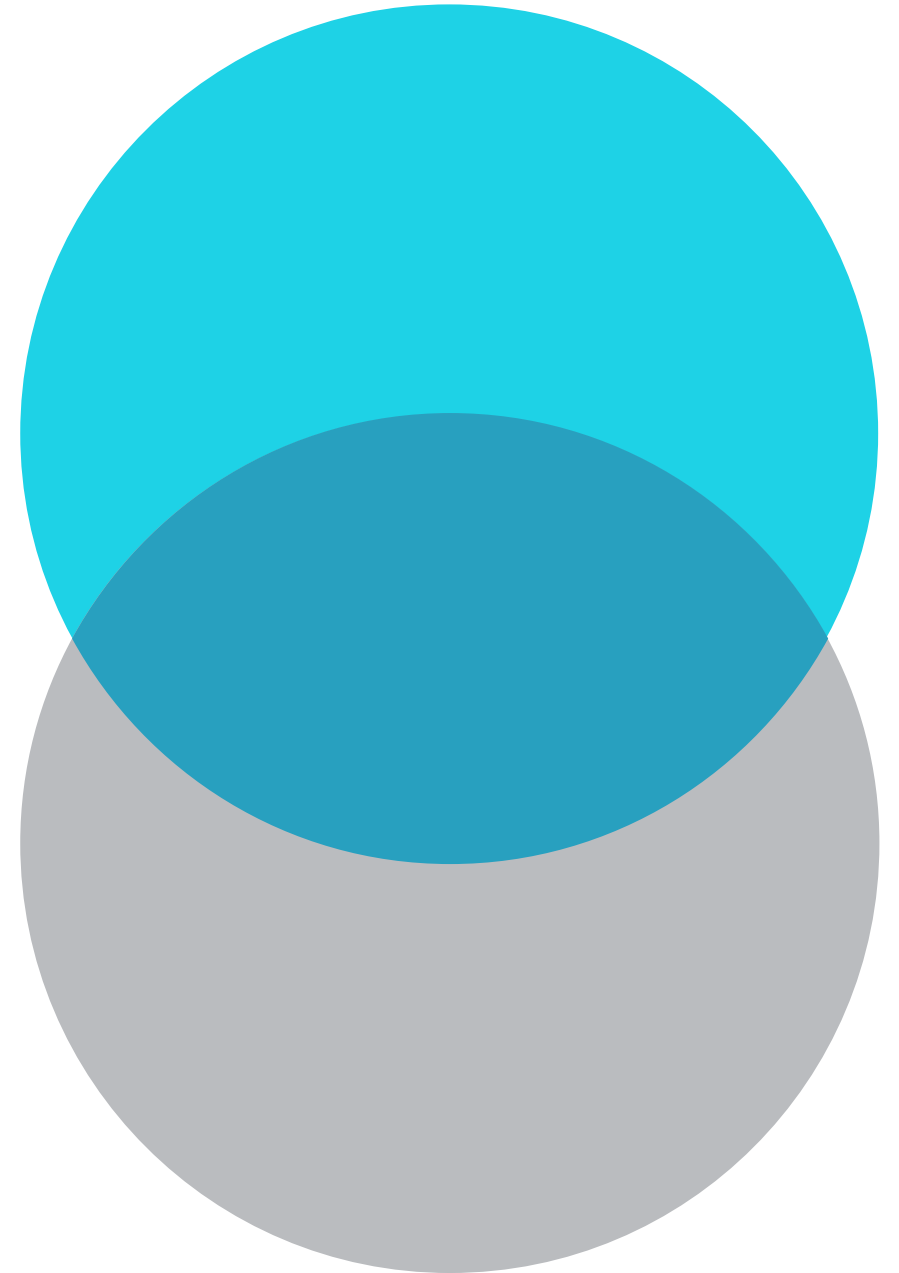
STRONG TESTIMONIALS FROM EARLY ADOPTERS

"We would not hesitate to recommend LaaS to our peers. The process is simple and the results are great for our clients."

"We believe this will be a successful add-on book that will add to the future profitability of our business."

FINANCIAL RESULTS

Brendon Glass, CFO



Financial results summary

For the period	H1 FY22 ¹ (\$m)	H2 FY22 (\$m)	H1 FY23 (\$m)
Gross Revenue	95.5	133.1	134.3
Adviser fees and commissions	(81.4)	(116.0)	(117.9)
Gross Profit	14.1	17.1	16.4
Management Expenses	(11.6)	(12.4)	(12.6)
EBITDA (excluding LTI, One-Off Costs & Asset Sale)	2.5	4.7	3.8
Cost to Income Ratio	82%	73%	77%
LTI Costs	(0.4)	(1.2)	(0.2)
One-Off Costs	(0.5)	(0.6)	(0.4)
Asset Sale	0.0	0.0	1.6
EBITDA	1.6	2.9	4.8
Depreciation, Amortisation, Impairment, Finance Costs	(0.7)	(1.2)	(1.1)
Profit/(Loss) before Tax	0.9	1.7	3.7
Tax	(0.4)	4.4	(0.7)
Net Profit/(Loss) after Tax	0.5	6.0	3.0

- Gross revenue up \$38.8m (+41% PCP) driven by \$7.3m organic licenced adviser growth and \$31.5m through ClearView Advice (CVA) acquisition in gross commissions and annuitised adviser fee received
- Gross profit up 16% (+\$2.3m) on PCP driven by revenue uplift from CVA acquisition and organic licenced fee growth offsetting investment margin run-off
- Management expenses up 9% on PCP (down 6% PCP excluding CVA acquisition)² due to \$0.8m increase in employment expense and \$0.2m increase in subscriptions from CVA acquisition
- Cost to income at 77% improved over PCP due to relative gross profit increase post acquisition and carried-over expense synergies (realised in H2 FY22)
- EBITDA (excluding LTI, One-Off Costs & Asset Sale) of \$3.8m up 52% (+\$1.3m) on PCP mainly due to CVA driven gross profit increase and organic licenced fee growth
- PBT of \$3.7m, up \$2.8m on PCP due to \$1.5m from Asset Sales (Ventura) and \$1.3m increased EBITDA

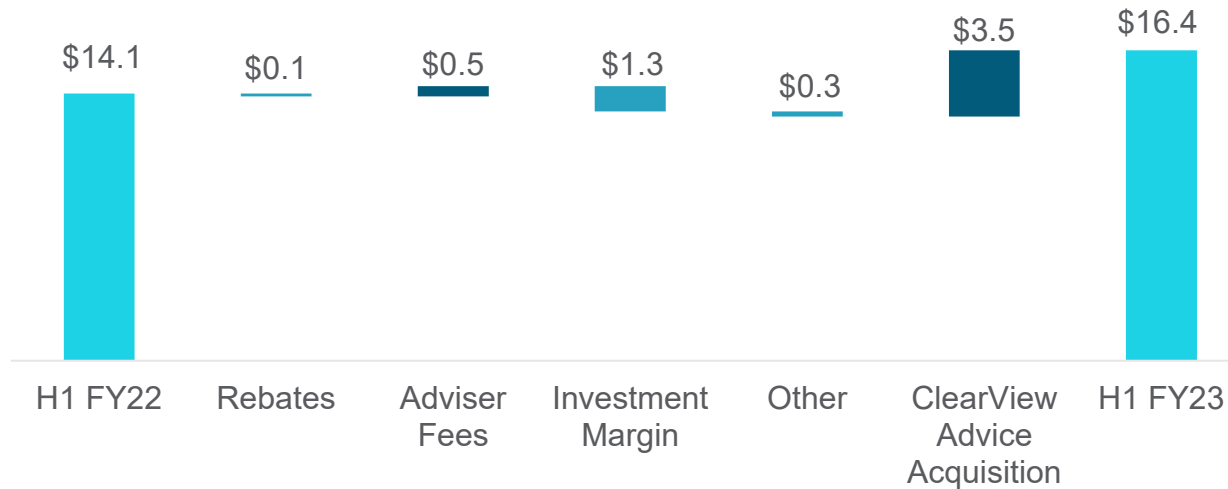
Sources: Centrepont Alliance financial analysis; H1 FY23 financial results.

Note: 1 Contributed revenue for CVA acquisition is for two months in H1 FY22 (Nov 2021 & Dec 2021).

Note: 2 Statutory expenses up 9% on PCP.

Revenue and expense analysis

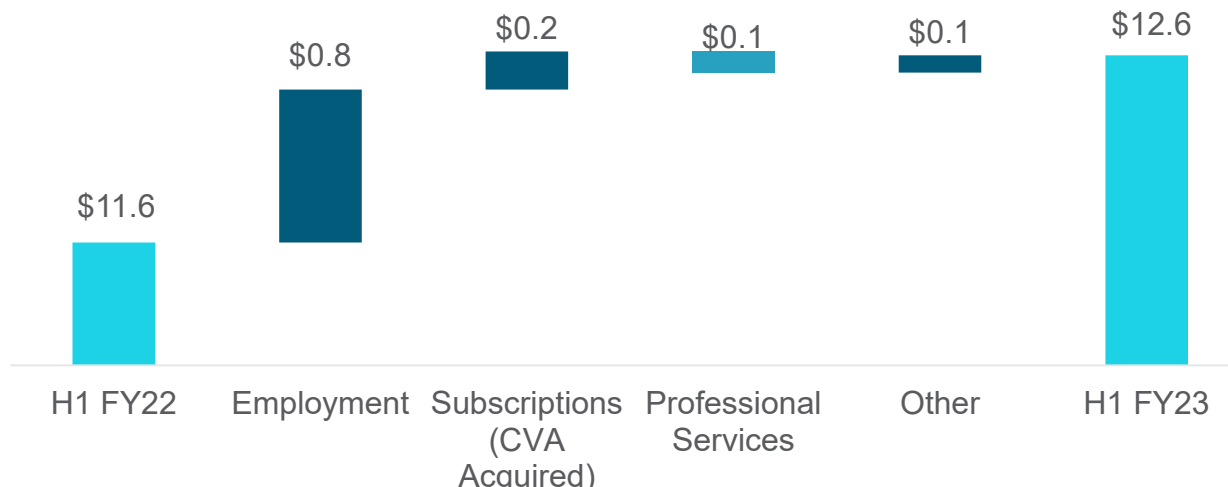
Net Revenue movement (\$m)



Key revenue movements (PCP) :

- Adviser fees up \$0.5m with recently acquired advisers transitioning to full ratecard during H1 FY23
- Investment income down \$1.3m due to \$0.75m lower platforms margin (cessation of CFS-IX agreement), \$0.2m due to Ventura asset sale and \$0.2m lower VMAPS margin
- Revenue from CVA acquisition up by \$3.5m on PCP

Expense movement (\$m)



Key expense movements (PCP) :

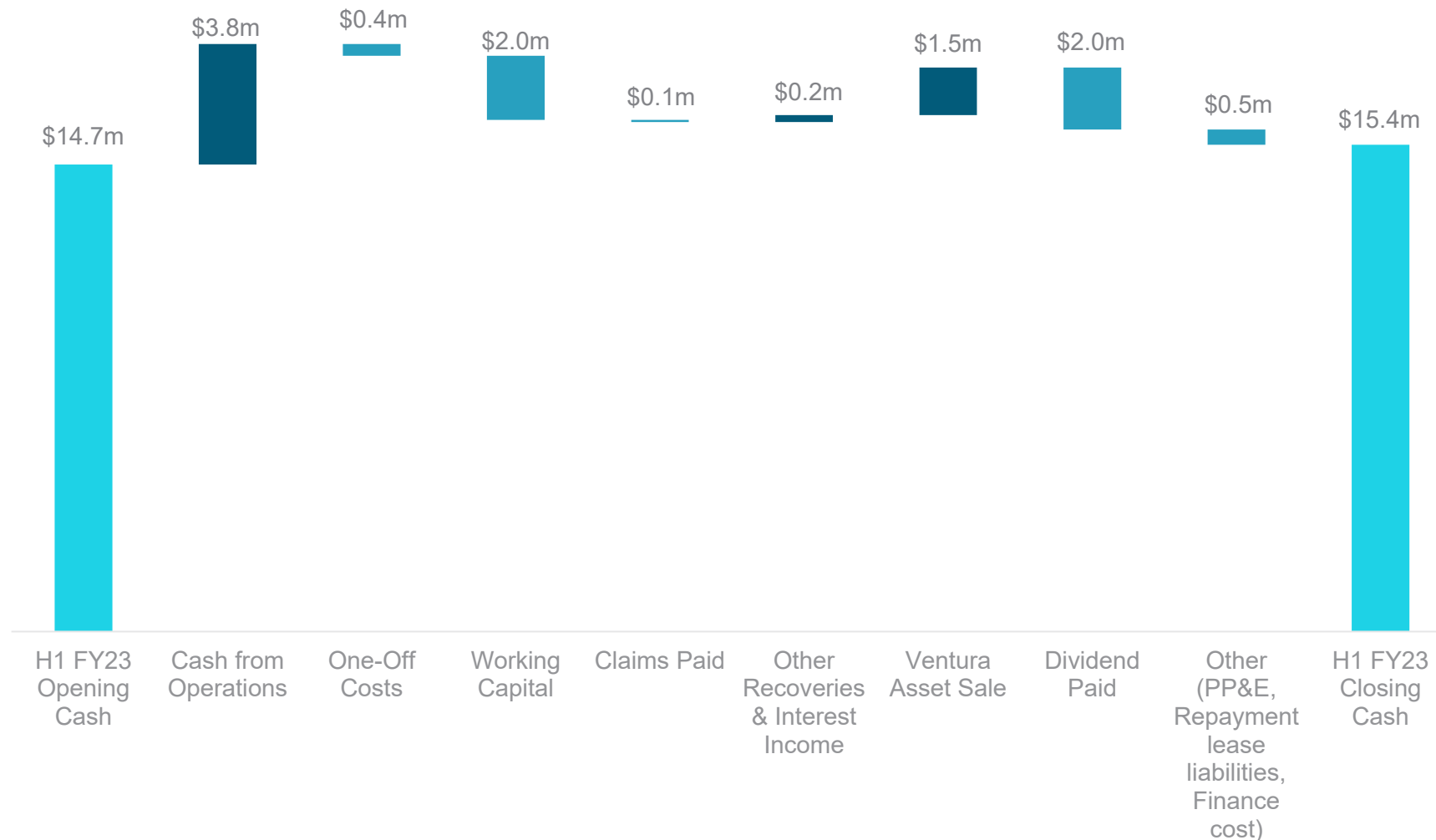
- Expense up \$1.0m (9%) mainly driven by:
 - Employment up \$0.8m (10%) due to net 7 FTE increase for the period from CVA acquisition
 - Subscriptions up \$0.2m from CVA acquisition
 - Professional fees down \$0.1m (20%) due to cessation of expenses associated with Ventura sale
 - Travel, Marketing & Other up \$0.1m (5%) due to resumption in spending post-COVID-19 restrictions

Balance sheet

For the period ended	30Jun22 (\$m)	31Dec22 (\$m)
Cash & Term Deposits	14.7	15.4
Trade and Other Receivables	5.1	6.6
Loans Receivable	0.4	0.2
Intangible Assets and Goodwill	17.8	17.5
Other Assets	11.3	9.5
Total Assets	49.3	49.1
Trade and Other Payables	10.0	12.0
Claims Provision	1.6	1.2
Other liabilities	9.4	6.3
Total liabilities	21.0	19.5
Net Assets	28.3	29.6
Net Tangible Assets	6.6	9.0
Net Tangible Assets (cents per share)	3.6	4.6

- Cash of \$15.4m, up \$0.7m from June 2022 primarily due to \$2.9m net cash flow from operations offset by \$2.0m dividends paid
- Claims provisions: 16 open claims (FY22 11 open claims)
- Net Assets increased primarily due to \$3.0m net profit after tax generated during H1 FY23, offset by \$2.0m dividends paid

Cash movement H1 FY23



- Cash in Dec 2022 closed at \$15.4m
- H1 FY23 Cash from operations \$3.8m
- Claims paid out \$0.1m
- Other recoveries and other interest \$0.2m
- \$1.5m from Ventura asset sale in July 2022
- Dividends paid \$2.0m H1 FY23
- Other \$0.5m consisting of PP&E acquisition, finance costs and repayment of lease liabilities

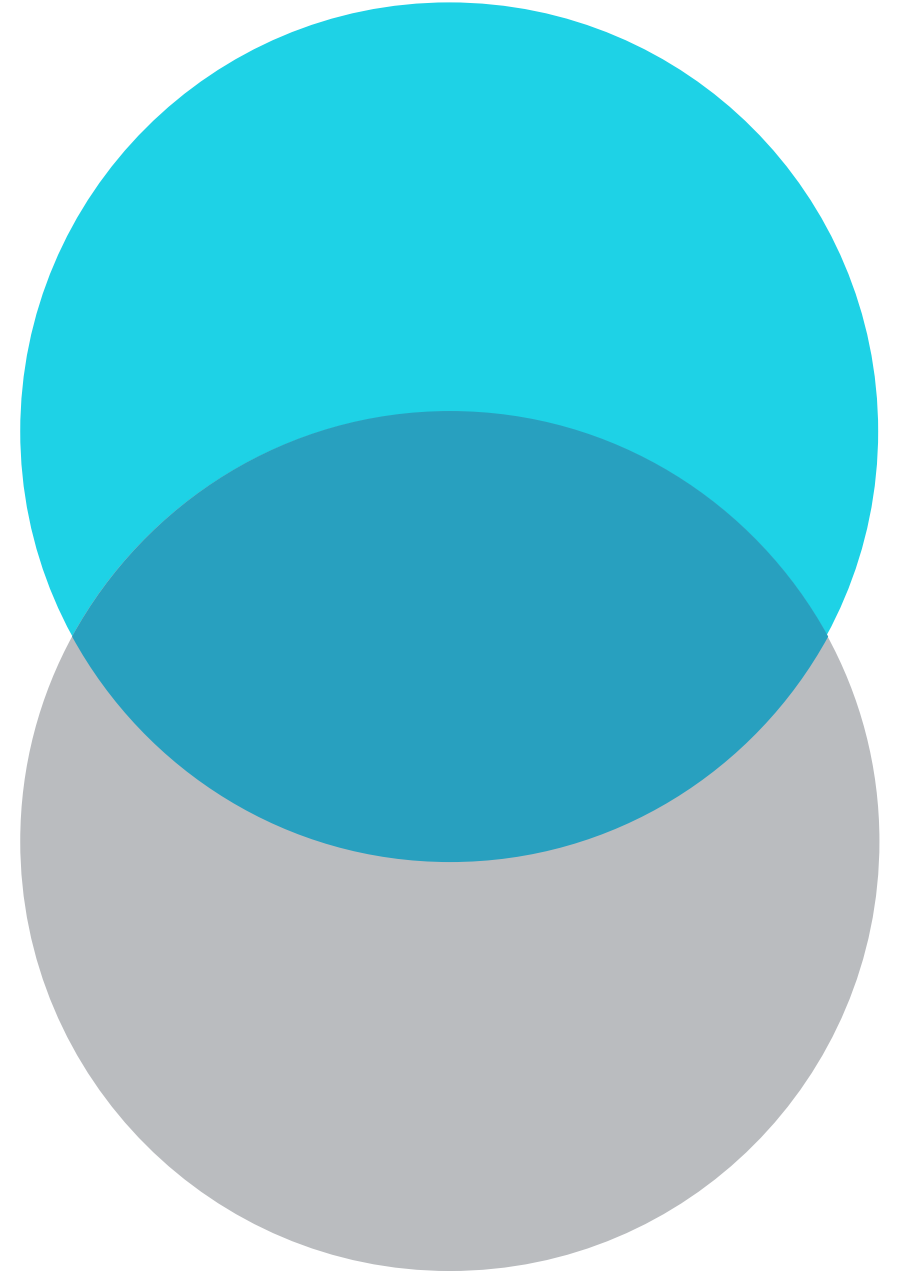
Balance Sheet Snapshot

Balance Sheet	H1 FY21	H1 FY22	H1 FY23
Closing Cash	\$14.7m	\$11.9m	\$15.4m
Net Tangible Assets	\$10.3m	\$4.2m	\$9.0m
Goodwill & Intangible Assets	\$3.3m	\$18.1m	\$17.5m
Net Current Assets	\$9.5m	\$3.4m	\$7.7m
Deferred Tax Assets	\$2.9m	\$2.4m	\$5.7m
Shareholder Returns	H1 FY21	H1 FY22	H1 FY23
Ordinary Dividend Yield	3.4%	5.9%	6.3%
Franking Credits	\$17.5m	\$13.8m	\$12.5m
Earnings Per Share	1.1cps	0.31cps	1.55cps
Annualised ROE ¹	1%	5%	18%
Risk Management	H1 FY21	H1 FY22	H1 FY23
ECL to Gross Revenue Ratio	(0.49%)	0.10%	0.01%
Number of Claims Paid Out	9	8	7
Claims Paid Out	\$0.9m	\$0.2m	\$0.1m

- Robust cash balance with no debt
- NTA at \$9m with improved operating profit, loan redemptions and non-core asset sales enabling \$8.8m of fully franked dividends returned to shareholders last two years
- Franking credits of \$12.5m available
- Consistent ordinary dividend yield at circa 6%
- EPS growth and double-digit ROE
- Nominal credit risk
- Consistent reduction in claims paid out with H1 FY23 a new low

2023 OUTLOOK

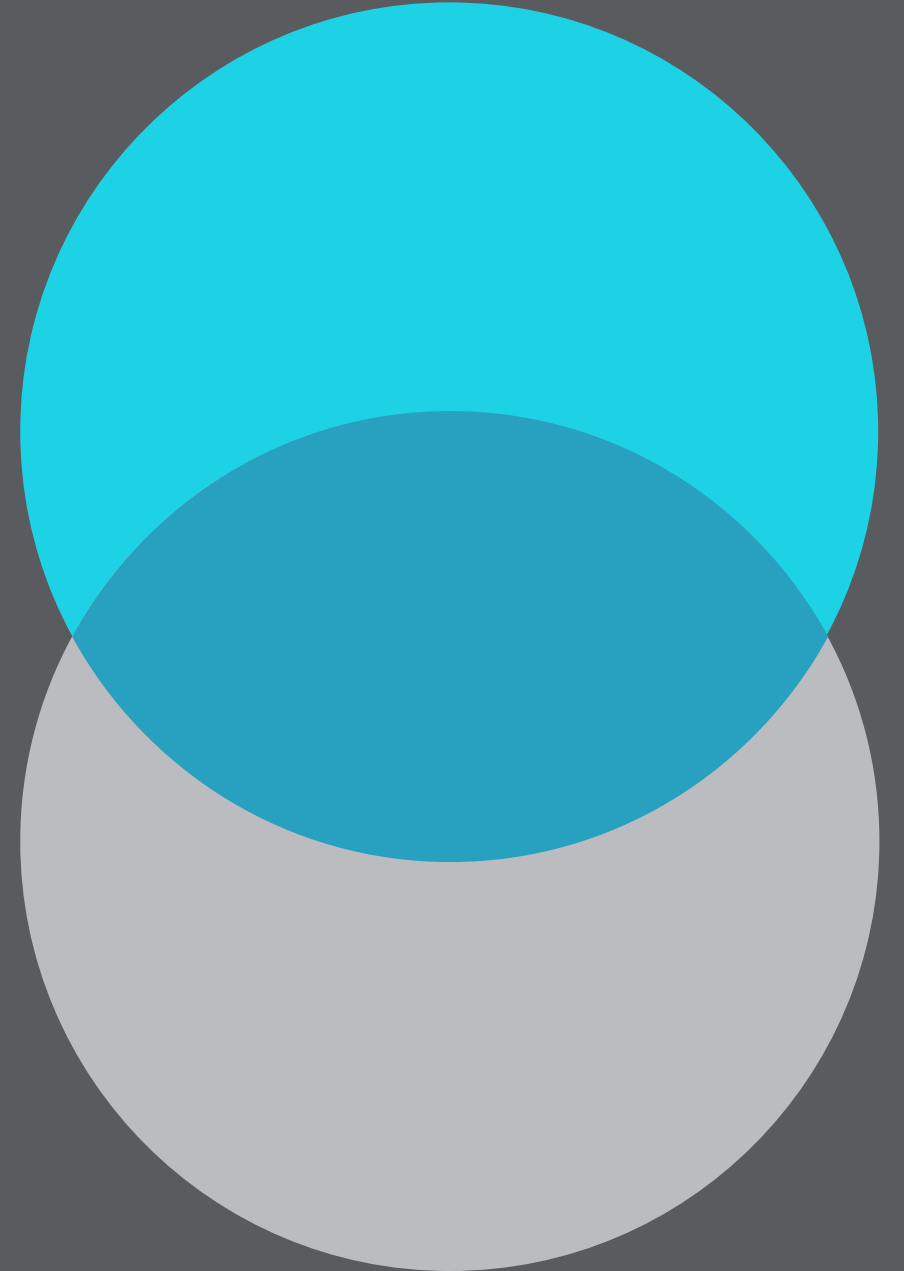
John Shuttleworth



We remain very positive about the business outlook

- ✓ Continued strong financial performance
- ✓ Integration complete with uniform operating model showing benefits of scale
- ✓ Sales pipeline is strong and conversion will result in organic growth
- ✓ Strategic initiatives progressing – Lending as a Service / Managed Accounts
- ✓ Advisers experiencing very strong demand and looking to grow their businesses
- ✓ Earnings guidance for H2 FY23 is in line with H1 FY23 actuals of \$3.8m EBITDA excluding one-offs

APPENDICES



Centrepont is a diversified financial services company

There are four main lines of business

LICENSEE SOLUTIONS

Everything an adviser needs to run an advice practice

Financial Advice Licensee

511 advisers operate under our licence as authorised representatives

194 small AFSLs operate under their own licence representing **771** advisers

5 salaried financial advisers

LENDING SOLUTIONS

Everything a broker needs to run a mortgage broking business

Boutique provider of lending services

80 brokers

\$3bn loan book

Panel of **~ 60** lenders

INVESTMENT MANAGEMENT

Managed portfolios

Ventura Investment Management

20-year history

~ \$295m in managed accounts

TECHNOLOGY SOLUTIONS

Technology services to improve the efficiency of advice

Enzumo

Professional services

Core expertise in adviser software (Xplan, Intelliflo)

Implementation and optimisation

Corporate snapshot

Capital structure

ASX stock code	CAF
H1 FY23 gross revenue	\$134.3m
Cash balance as at 31 Dec 2022	\$15.4m
Share price as at 15 Feb 2023	\$0.23
Shares on issue	195.9m
Performance rights (nil ex price, various expiries)	19.7m
Fully diluted shares	215.6m
Fully diluted market cap	\$49.6m
Enterprise value	\$34.2m

Experienced and invested leadership team

Board & Management	Role	Shares held As at 16/01/23
Mr Alan Fisher	Non-Executive Chairman	-
Mr John Shuttleworth	Chief Executive Officer	0.2m (0.1%)
Mr Georg Chmiel	Non-Executive Director	0.8m (0.4%)
Mr Martin Pretty	Non-Executive Director	0.1m (0.1%)
Mr Alexander Beard	Non-Executive Director	7.8m (4.0%)
Mr Simon Swanson	Non-Executive Director	-
Mr Brendon Glass	Chief Financial Officer	-
Total Board & KMP		8.9m (4.6%)

Top shareholders

Investors As at 16/01/2023	Shares held (% of SOI)
Thorney Investment Group	53.2m (27.1%)
ClearView Wealth Ltd	48.0m (24.5%)
Alexander Beard	7.8m (4.0%)
H&G Investment Management Limited	7.6m (3.9%)
Alan Crozier	6.0m (3.1%)
Armytage Private Proprietary Limited	4.8m (2.4%)
Total Top 20	149.1m (76.1%)