

Easton Investments Limited 2016 First Half Results Presentation

*A leveraged distribution business in the
accounting & financial services business
channel*

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First half summary

- Continued strong growth in revenue & earnings
 - Revenue \$9.63 m  16% PCP
 - NPAT \$1.30 m  80% PCP
 - Normalised EBITA \$1.68 m  66% PCP
- Organic growth opportunities being implemented
- An increasing online focus for our distribution businesses
- Discussions progressed on acquisition opportunities
- Business tracking to plan

Underlying Performance 2016

- Key Drivers of Performance:
 - Earnings growth from business units
 - Contribution from investment in First Financial
 - Organic growth trend continues

Underlying Profit	2016 (\$m)	2015 (\$m)	Increase %	2014 (\$m)	2013 (\$m)
1st Half	1.68	1.01	66	0.03	(0.47)

Note: Underlying Profit = Normalised EBITA

Cash flow from operations

- Strong growth in cash flow
- Growth trending to underlying profit

Cash flow	2016 (\$m)	2015 (\$m)	Increase %
1st Half	1.30	0.52	150

Balance sheet & Funding

- A strong balance sheet
 - Cash position \$3.02 m
 - No debt – loan (\$665K) paid down from free cash
 - Bank facility line undrawn - \$2.3 m
 - Operating cash increasing from business contribution

Business strategy

To be a significant and diversified supplier in our business channel with a focus on online distribution capability

Acquisition & Divestment activity

Acquisition

- Increased stake in Law Central from 12.6% to 44.6% (January 2016)

Divestment

- Sale of stake in Chesterfields (October 2015)

Accounting & Wealth continue to grow

- Modest revenue growth but increased contribution to earnings
- Funds under advice - \$1.3 bill.
- Funds under distribution - \$580 mill.
- Will benefit from current organic growth strategy + selective acquisitions

Distribution continues progress

- Knowledge Shop continues strong growth
- Provides a unique & continuing platform to leverage business opportunities
- Merit Wealth & HKRS tracking behind plan but positioned to benefit from our Limited Authorisation offer
- Should see flow on benefit through calendar year 2016

Organic growth opportunities under way

Launch of
Limited AR offer

Expansion of
web based
training

Engagement of
Law Central with
our distribution
channel

Limited Authorisation offer

- A tailored solution for accountants advising in the SMSF space
- All accountants advising in this space will need to be licensed or authorised by 1 July 2016
- Accountants will pay a monthly subscription to access the service creating an annuity income stream
- Accountants to have access to full advisers where their clients require an extended service

On line training

- Webinar training capability being extended
- Wider range of programs
- Extension to pay on demand training
- Program differentiation in its practice based content
- A scaled business with high margin contribution

Law Central (LC) product distribution

- Engagement of our accounting channel with the LC on line product range
- Accountants are the largest purchasers of
 - Company registrations,
 - Trust deeds, and
 - SMSF deedsfor their clients
- We benefit from our distribution agreement + our equity interest in LC

Outlook

- Continued growth trend in earnings
- 2nd half underlying profit expected to exceed 1st half
- Organic growth opportunities should deliver continued earnings growth and value
- We continue to identify and explore selective acquisition opportunities complementary to our business model
 - Accounting & wealth businesses
 - Aligned distribution businesses

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