

ASX announcement



CountPlus Limited

AGM Market Update Presentation

16 November 2020 (Sydney)

A copy of the presentation is attached.

This presentation has been authorised for release to the ASX by the Board of CountPlus Limited.

Contact Details

Matthew Rowe

Chief Executive Officer and Managing Director
02 8218 8778

matthew.rowe@countplus.com.au

Laurent Toussaint

Chief Financial Officer
02 8218 8778

laurent.toussaint@countplus.com.au

Narelle Wooden

General Counsel & Company Secretary
02 8218 8778

narelle.wooden@countplus.com.au

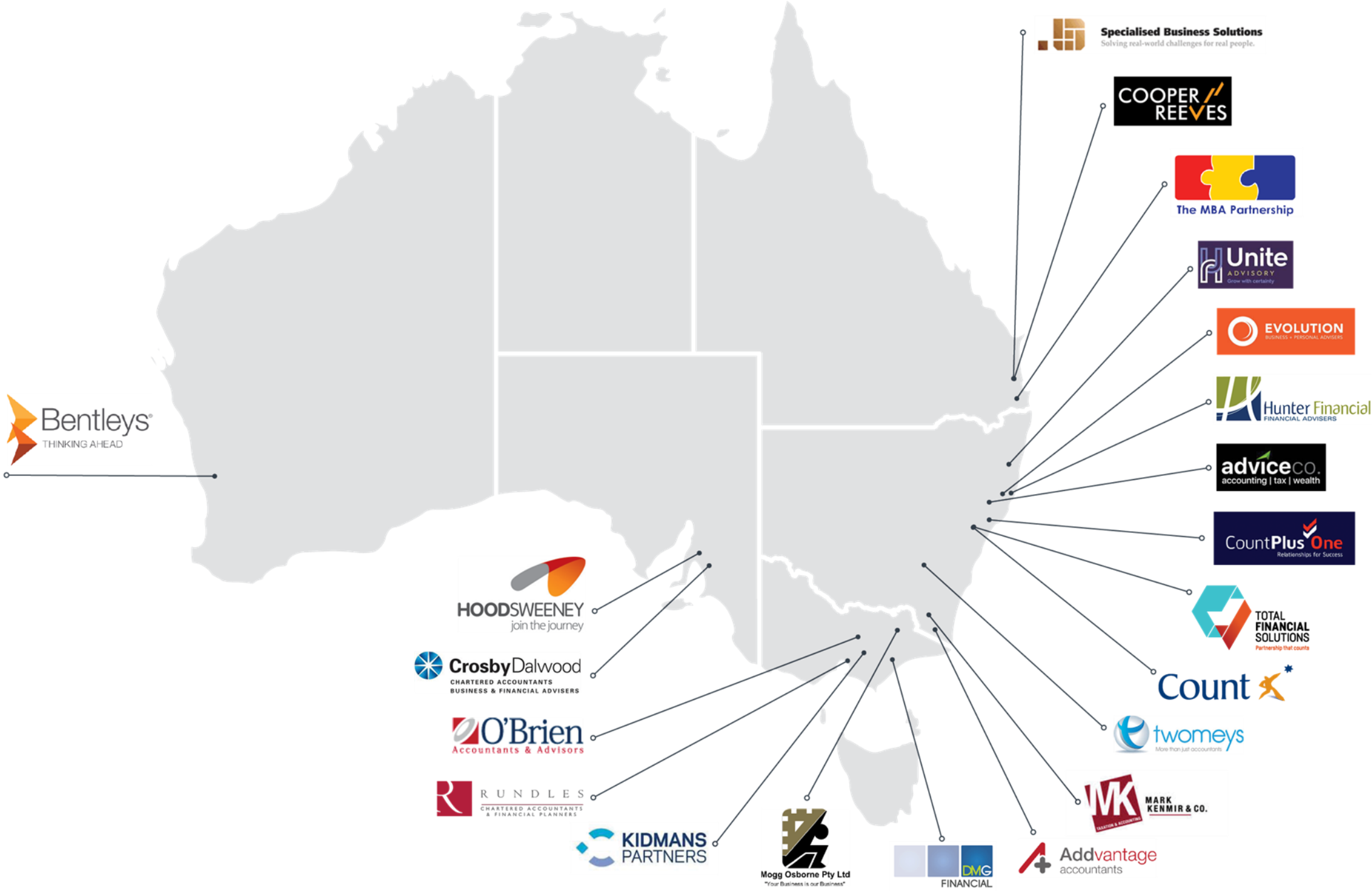
CountPlus Limited

ABN 11 126 990 832

Level 8, 1 Chifley Square, Sydney, NSW 2000

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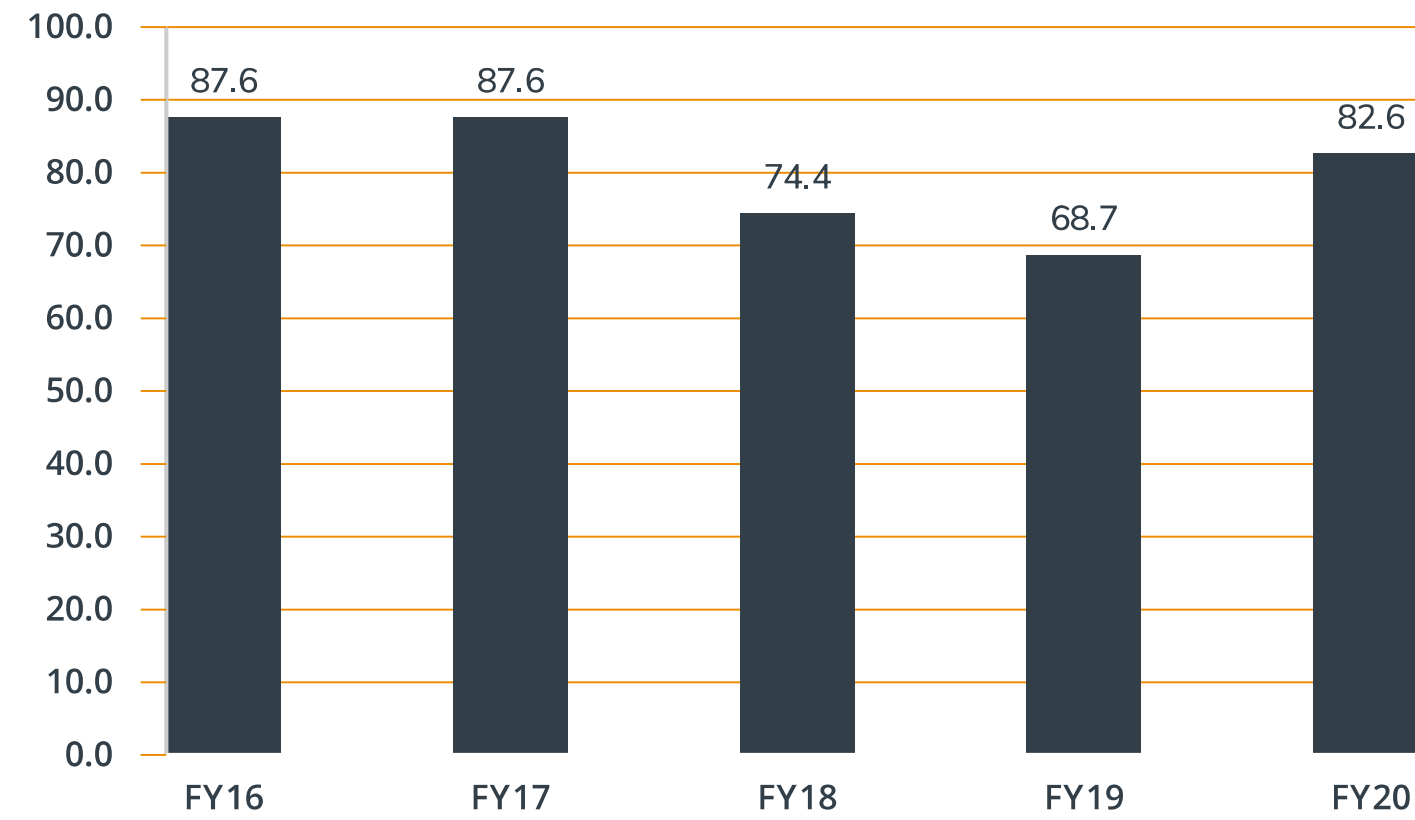
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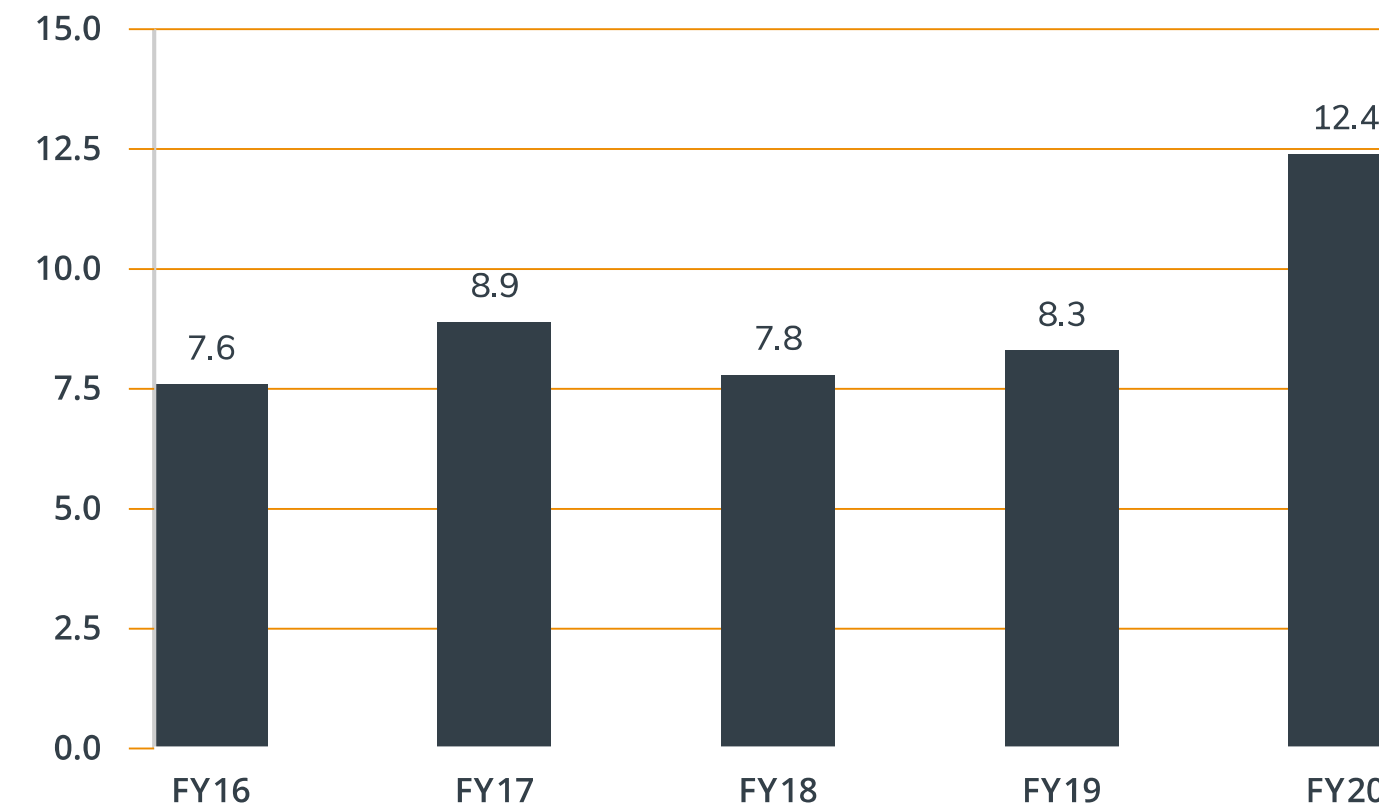
CountPlus Headline Results – FY20

Turnaround in performance for CountPlus has been delivered

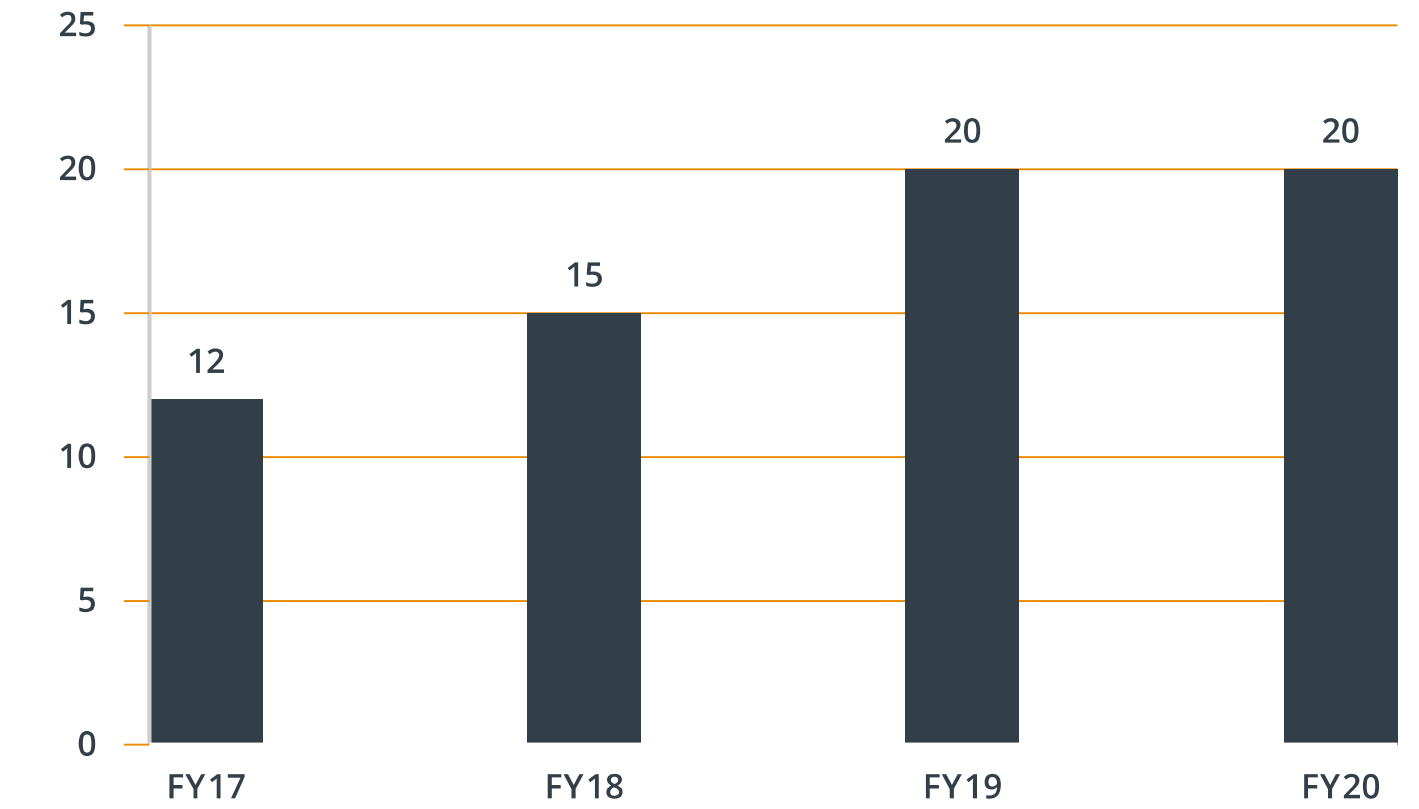
Revenue – \$'M



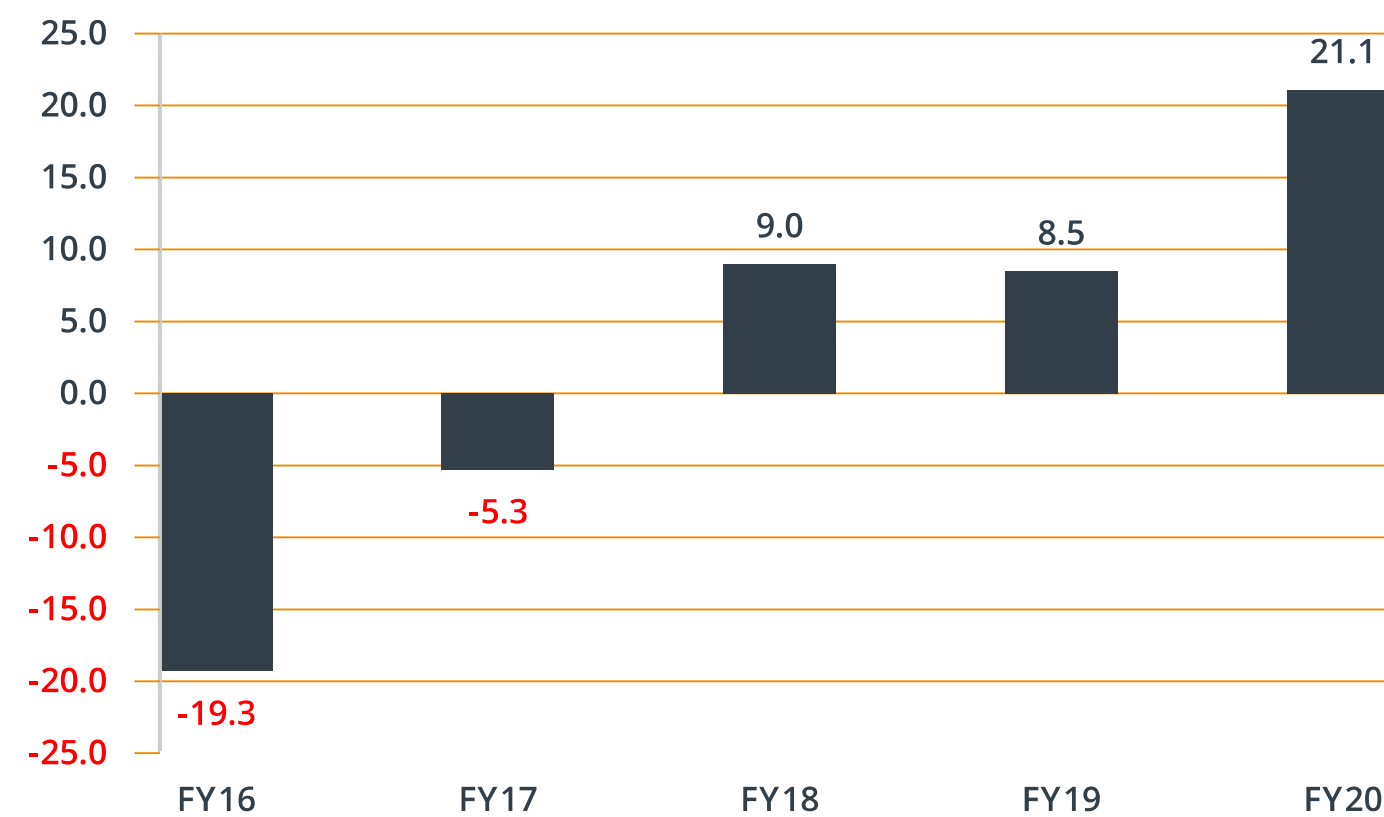
Adjusted EBITA – \$'M



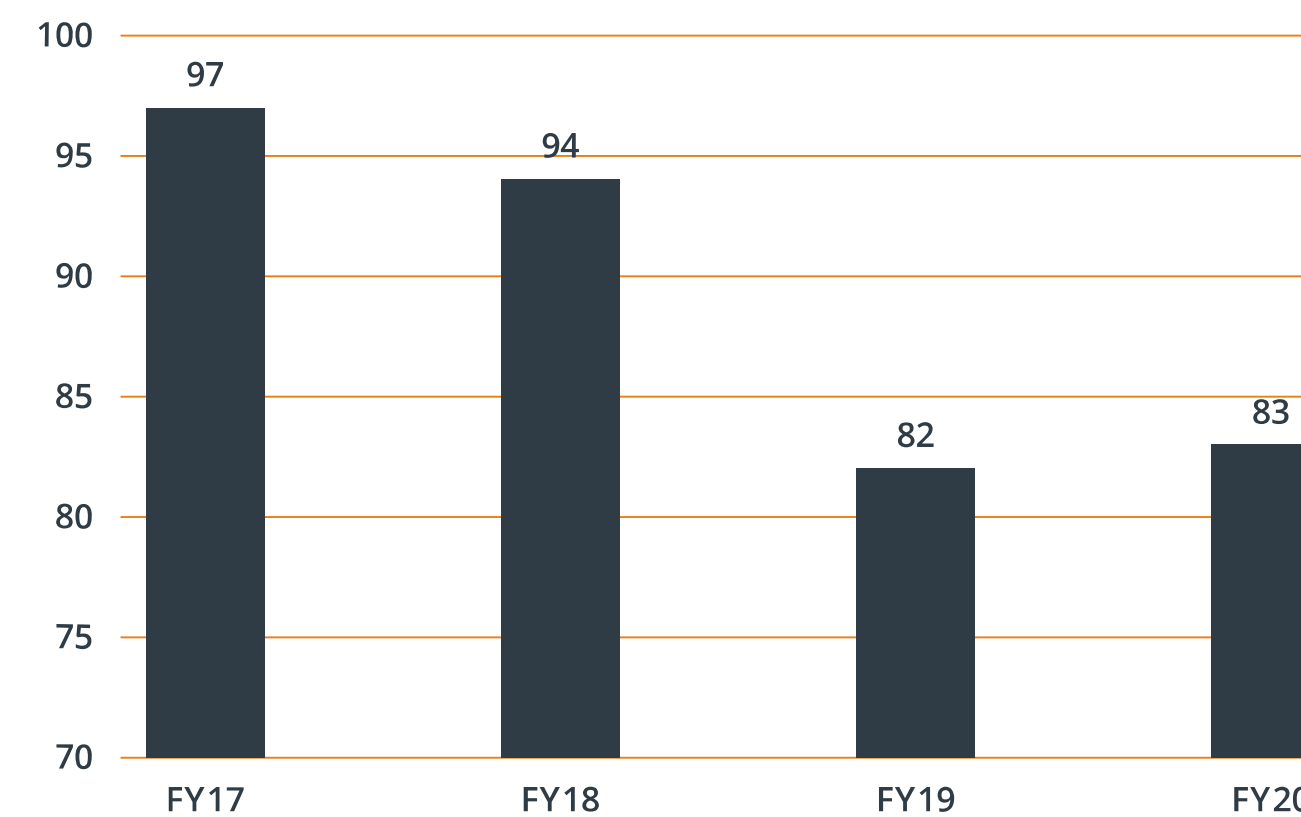
Firm EBITA Margin – %



Net (debt) / Net cash – \$'M



Lock-Up – Days



Source: CountPlus Annual Reports : FY11 – FY20
CountPlus analysis

CountPlus and Count Financial Update

Operational Update



CountPlus Converged Accounting Member Firms

Six tuck-in acquisitions have been completed in FY21 year to date and we have a strong pipeline of firms for acquisitions under the OD-P model.

As at the 30th September 2020

- Cash position: Gross: \$27.1M, Net: \$23.1M.
- Lock-up Days: 82 days (30/09/2019: 87 days).
- Member Firm EBITA margin excluding JobKeeper: 21% (30/09/2019: 21%).
- JobKeeper income of \$2.0M has been received in subsidiary firms and share of associates earnings includes \$328K of JobKeeper income.
- Aggregate Firm Revenue (ex JobKeeper) is up 13% to the 30th September 2020 compared to the same time last year.
- Member Firm financial performance has shown resilience during the pandemic and profit margins have been maintained, however we remain cautious on the economy and SME segment.

Count Financial

As at the 30th September 2020

- 1,734 client remediation matters relating to Count Financial assessed by CBA with \$1.735M in client detriment payments made under the indemnity from CBA. The CBA have provided a \$300M indemnity to cover past conduct.
- Count Financial had 245 advisers in the network. This is down from 260 advisers as at 30th June 2020. With our new user pay pricing model effective 30th September 2020, the baseline for adviser numbers has now been reset based on cultural fit, quality assurance and financial sustainability. There have been no regrettable adviser losses since 30th June 2020.
- Count Financial has a revamped value proposition and is experiencing strong uplift in recruitment enquiries. At the time of writing we have received formal enquiries from circa 240 advisers expressing an interest in joining Count Financial.
- All new firms must undergo extensive due diligence to join the Count Financial network. Our experience to date is less than 60% of those that apply will pass our requirements to be onboarded.
- Count Financial is focused on achieving quality growth in its financial adviser network.

CountPlus does not provide earnings guidance or forward-looking statements regarding financial performance

CountPlus Growth Update

Turnaround complete, focus on growth



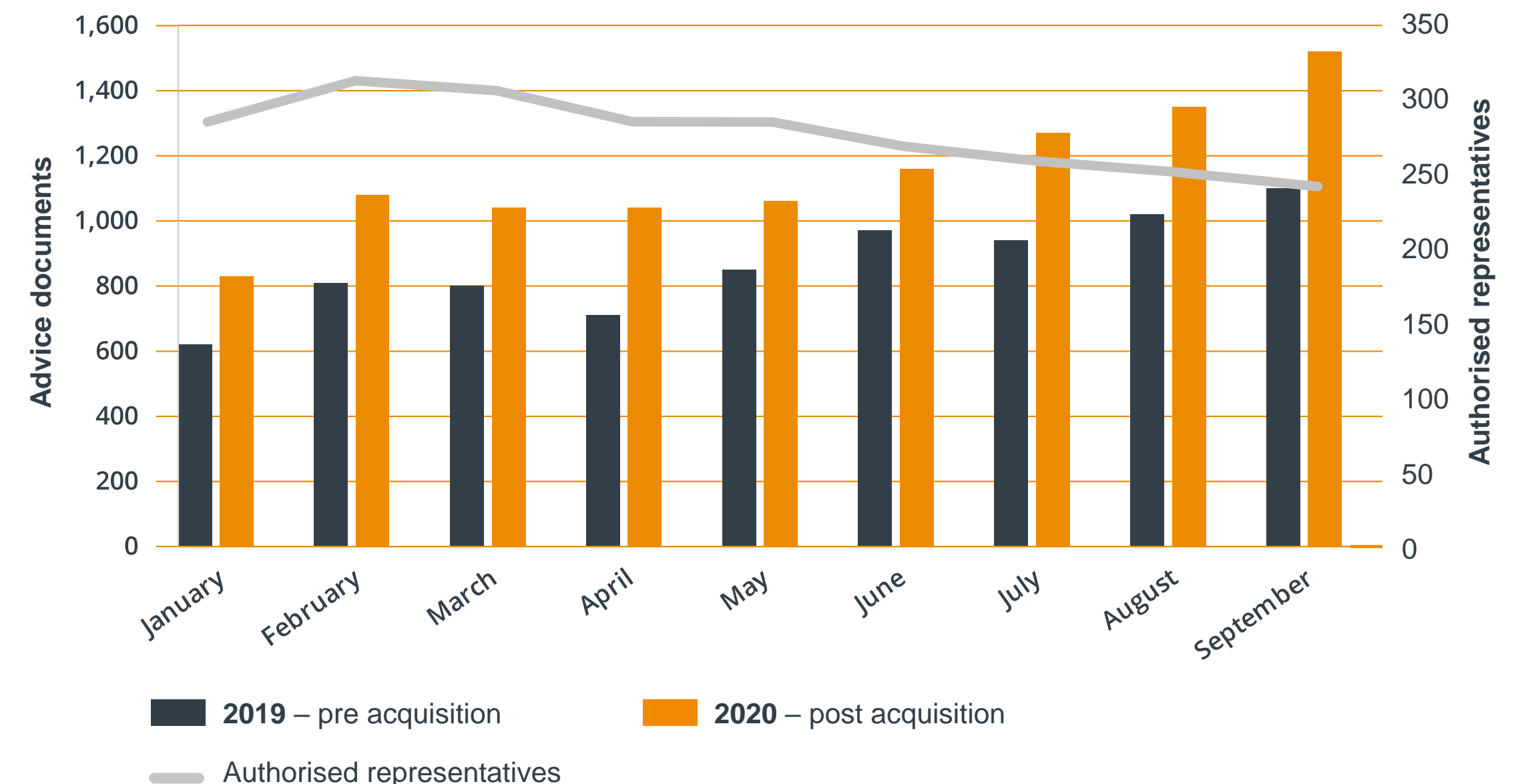
- With Count Financial successfully embedded in CountPlus, significant focus will be given to the growth opportunities coming into play in our chosen markets.
- The Company has available cash resources and a \$25.0M debt facility with which to pursue the right growth opportunities.
- Major dislocation in the financial advice sector will present opportunities to make selective acquisitions.
- CountPlus is looking to invest in “core-related” business opportunities, where these businesses are concerned with inputs / outputs (downstream) into core firm related activities. Investments will be made into activities that enable and enhance our core activities and provide access to an increased network of converged accounting-financial advice firms.
- We are actively seeking “tuck-in” acquisition opportunities for the existing network of CountPlus member firms, these “tuck-ins” are highly earnings accretive and have relatively low execution risk.
- We have received an increasing number of inbound enquiries from Principals in converged accounting-financial advice firms seeking succession solutions and assistance with growth funding and performance improvement.
- A strong pipeline of Owner, Driver – Partner opportunities, “tuck-in” opportunities and core related opportunities is at hand.
- The Company is carefully monitoring the current operating environment for strategic opportunities, acknowledging there is significant consolidation underway in financial advice.

Count Financial Operational Update

Focussing on the financial sustainability of our advice network

- The planned shift towards embedding a “clean” licensee model within Count Financial has been implemented. The new user pay fee model has now been applied for all firms.
- Gross Business Earnings per Financial Adviser has increased 39% since September 2019.
- Average Funds under administration (“FUA”) per Adviser is \$31.8M in September 2020 compared to \$24.7M per Adviser in September 2019.
- 65% of Count Financial Advisers have sat and passed FASEA examination versus 48% industry average.
- Production of advice documents has increased by 32% on the previous period. We are producing more advice documents with less Financial Advisers.
- The improvement in our technology and processes has resulted in 90% more automation of variables in the advice process which has halved the time taken to produce advice documents compared to a year ago.
- In October 2019 there were 13,301 ongoing advice clients serviced by 360 Count Financial Advisers.
- At the 30th September 2020 there are 13,131 ongoing advice clients serviced by 245 Count Financial Advisers.

Advice document production – CY20 vs CY19

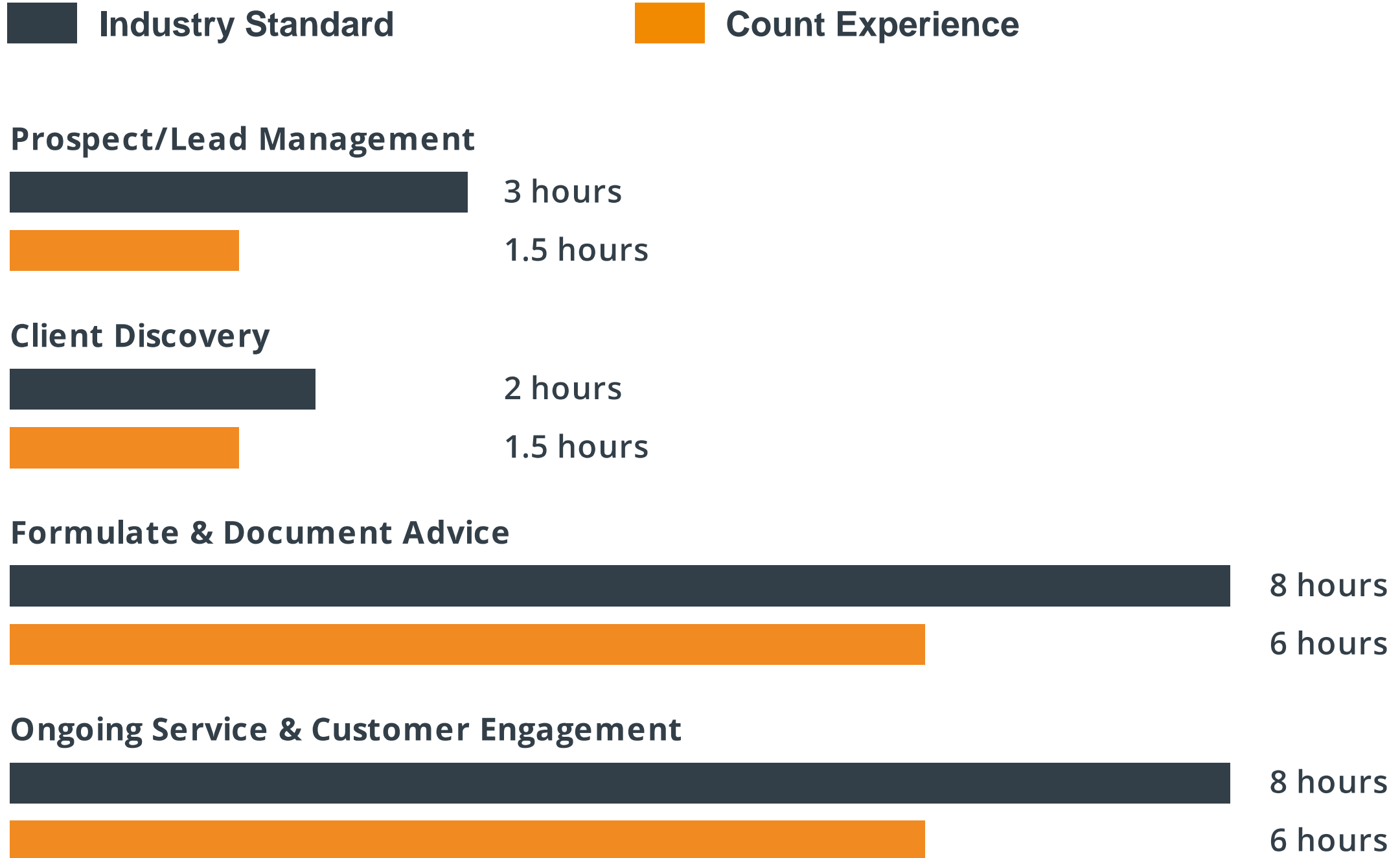


Count Technology and Operational Improvements



Increased revenue per adviser through productivity improvements with technology and operational initiatives

Our technology offer has reduced the time spent for all components of the advice process.



We have seen record numbers in Advice documents being issued to customers since CountPlus ownership, largely due to the increased demand for financial advice and the additional capacity created through our technology initiatives. As a future technology initiative, innovations around Advice implementation and straight through processing will unlock more operational efficiencies for Count firms by removing the double data entry steps between statement of advice generation / client acceptance and account opening / product fulfillment.

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