

ASX announcement

CountPlus Limited



2022 FULL-YEAR RESULTS

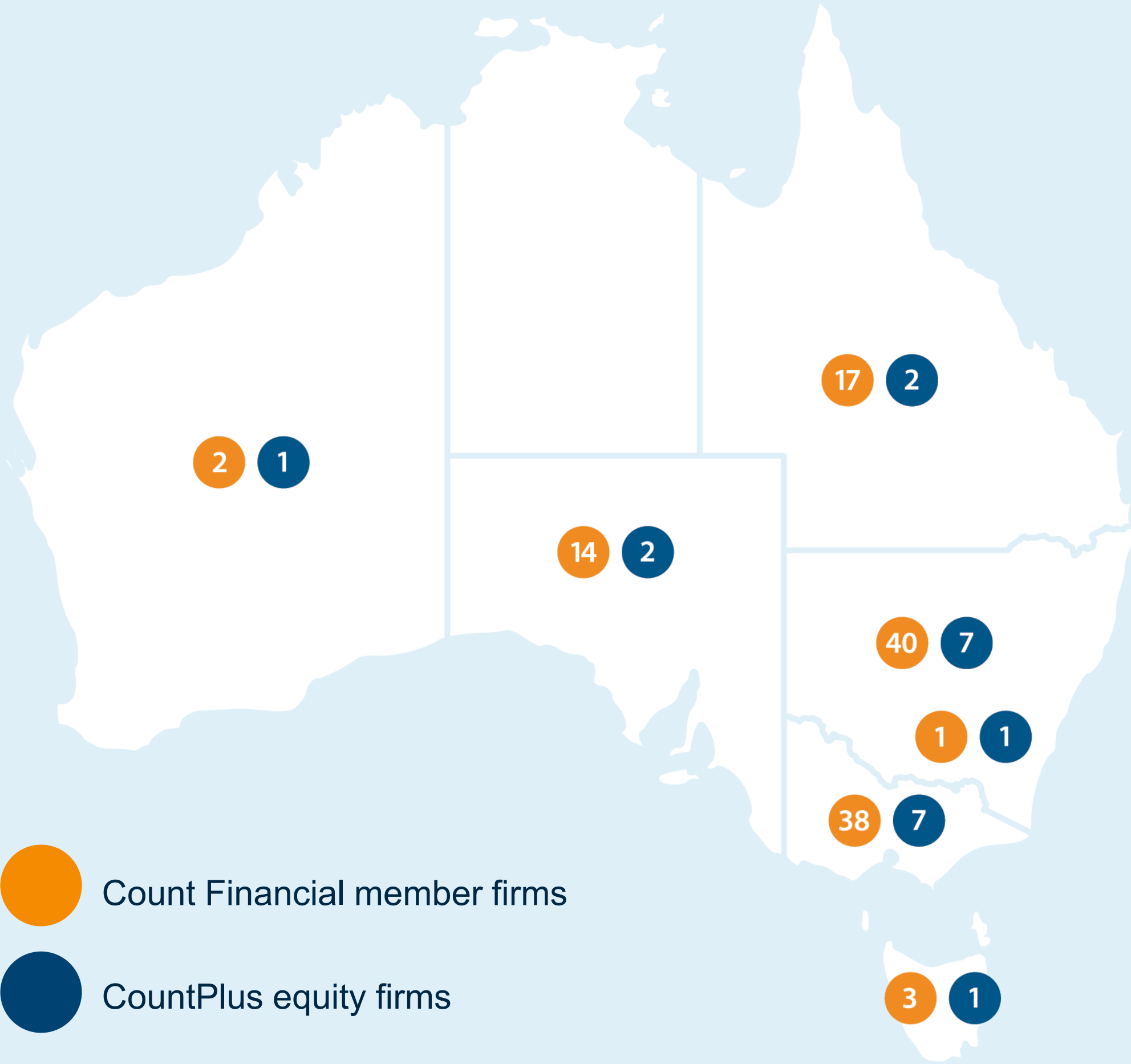
Presentation and Investor Discussion Pack
26 August 2022 (Sydney).

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

GROUP RESULTS

CountPlus Network

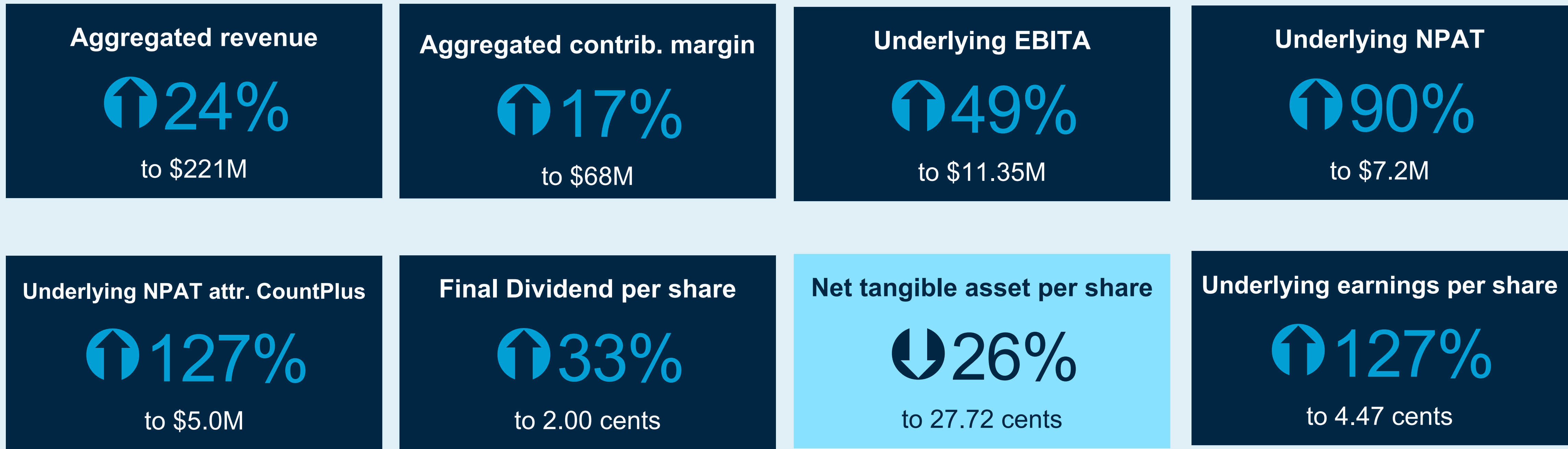
The CountPlus and Count Financial network includes 3,455 people in 136 firms



- Count Financial member firms
- CountPlus equity firms



2022 Full-Year Underlying Headline Results



Comments

Underlying figures exclude the impact of grandfathered commissions and Government grants

Clarifying our segment performance reporting terminology



Accounting

- Previously called Core Firms.
- This segment refers to CountPlus equity partnerships in converged accounting and financial planning firms.
- As at 30 June 2022 there were 18 equity partners in this segment.

Wealth

- Previously called Financial Services.
- This segment refers to the operations of Count Financial.
- Count Financial operates an Australian Financial Services Licence (AFSL).
- As at 30 June 2022 there were 129 member firms and 278 authorised representatives under the Count Financial AFSL.

Services

- Previously called Core Related.
- This segment refers to our equity partnerships in Accurium and Wealth Axis.
- Accurium provides actuarial certificates and education to accounting businesses with SMSF clients.
- Wealth Axis provides outsourced paraplanning and administration services to financial planning and accounting firms.
- Accurium and Wealth Axis provide services to clients within and outside the CountPlus network.

CountPlus FY2022 Overview



Headline growth in reported earnings, underlying performance and dividends

- Underlying EBITA reflecting the group's trading and M&A activities is **\$11.35M**, an increase of **\$3.72M** (49%) from underlying EBITA in FY2021 of **\$7.63M**. Underlying EBITA compares FY2022 and FY2021 by removing the impact of grandfathered commissions and government assistance received in FY2021 and, to a much lesser extent, in FY2022.
- Underlying NPAT **\$7.2M**, an increase of **\$3.4M** (90%) from underlying NPAT in FY2021 **\$3.8M**. Underlying NPAT attributable to CountPlus shareholders **\$5.0M**, an increase of \$2.8M (127%) from underlying NPAT attributable to CountPlus shareholders in FY2021 of \$2.2M.
- Final fully franked dividend of **2.00** cents per share at FY2022 (FY2021 1.50 cents per share), an increase of 33.3%.

Improved key metrics in Accounting

- Accounting firms average underlying EBITA margin improved to **21%** at FY2022 (FY2021 19%).
- Accounting firms lock up improved to **76 days** (FY2021 79 days).
- Earnings from net share of profit of equity accounted associate Accounting firms **\$3.52M** (FY2021 \$2.50M).

Ongoing growth from Wealth

- Wealth segment underlying EBITA of **\$3.22M** (FY2021 \$0.61M) as the business transitions to a new model without grandfathered revenue.
- Wealth segment has **278** authorised representatives as at 30 June 2022 (30 June 2021 248), **30** net new advisers in FY2022.

Successful implementation of strategy creates the new Services segment

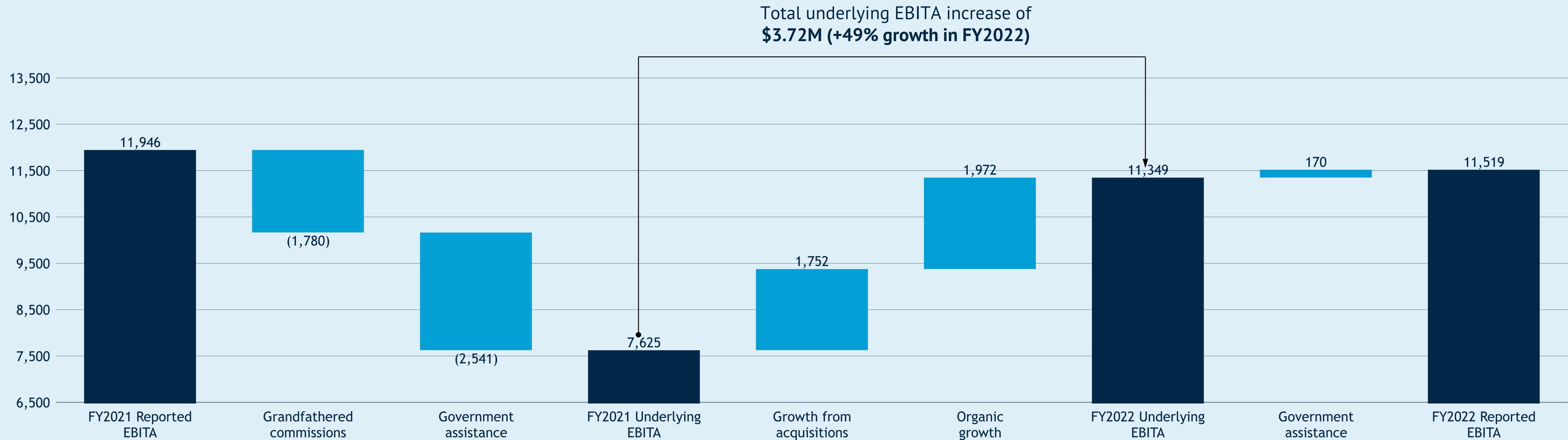
- **Two** Services firms, **two** Accounting firms and **two** Accounting firm tuck-ins acquired in FY2022.
- New Services segment EBITA of **\$1.33M** (FY2021 nil) reflecting contribution from Accurium and Wealth Axis.

Strong balance sheet to execute growth strategy

- Net cash on hand **\$11.739M** at FY2022 (FY2021 \$21.92M).
- Banking facility with Westpac of **\$25.00M** extended to 21 December 2025.

2022 Full-Year Results: Underlying EBITA analysis

Reported and underlying EBITA bridge



Growth from acquisitions

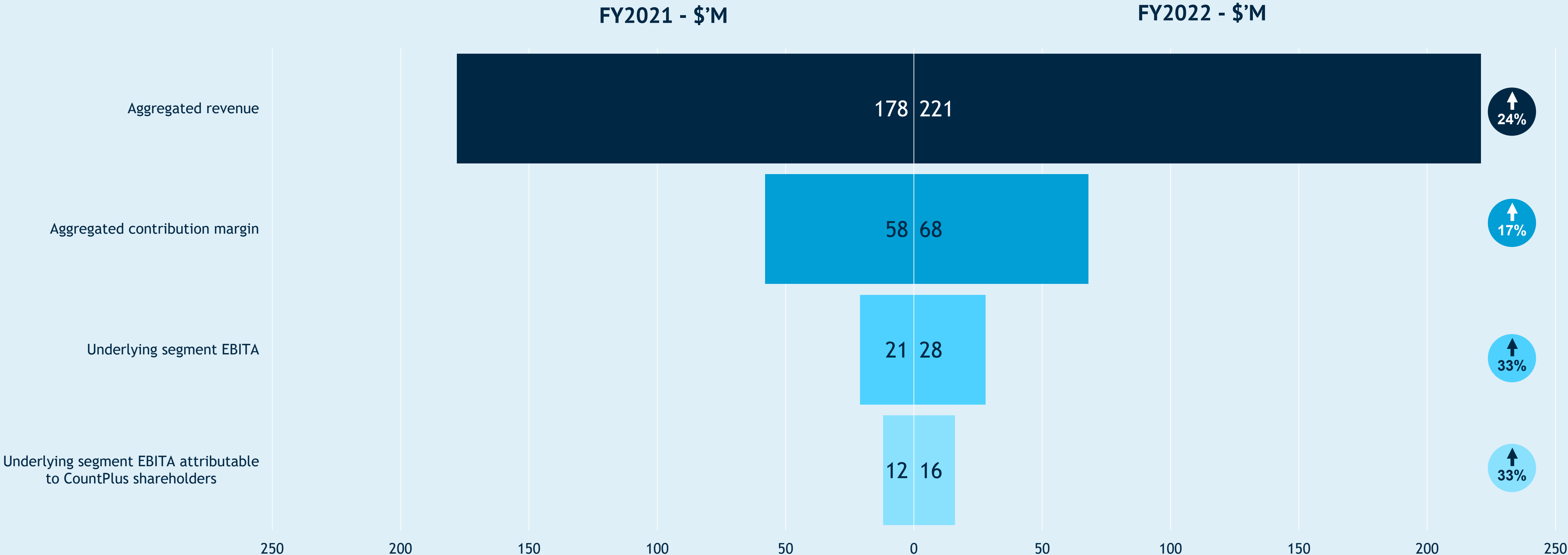
Accounting segment	4Front and SCBA
Accounting segment Tuck-ins	BBV and Sphere Wealth
Services segment	Accurium and Wealth Axis

Basis of analysis:

This analysis is prepared by deducting grandfathered commissions and Government assistance from reported EBITA. The underlying EBITA presented in the above analysis includes corporate office costs.

2022 Full-Year Results Overview

CountPlus – aggregation year on year by segment



Basis of analysis:

This analysis is prepared by aggregating 18 Accounting firms, at 100% (including associates), as well as all Wealth and Services firms. This analysis reflects the underlying performance of each segment, demonstrating the scale of the CountPlus activities and network. Underlying segment EBITA excludes corporate office costs, the impact of Government assistance of \$0.36M in FY2022 (FY2021: \$3.76M) and Grandfathered revenue in FY2021: \$1.78M).

2022 Full-Year Results Overview



Dividend

- Final FY2022 dividend of **2.00** cents per share, fully franked (Final FY2021 1.50 cents per share).
- The Final FY2022 dividend represents **80%** of FY2022 maintainable net profit after tax, attributable to CountPlus shareholders, within the target dividend pay-out ratio range of 60% to 90%.
- Dividends are paid out of operating cash flow generated, excluding Government assistance.
- The Board may consider varying the amount of dividends to be paid or to be declared having regard to economic and industry conditions as well as potential acquisition requirements.

Key dates for Final FY2022 dividend

Ex-Dividend date	Record date	Payment date	Franking credits at 30 June 2022 amount to \$9.2M (30 June 2021 \$7.9M)
Thursday 22 September 2022	Friday 23 September 2022	Wednesday 12 October 2022	

SEGMENT RESULTS

Incorporating

- **Accounting**
- **Wealth**
- **Services**

2022 Full-Year Results Overview

CountPlus – 100% aggregation by segment



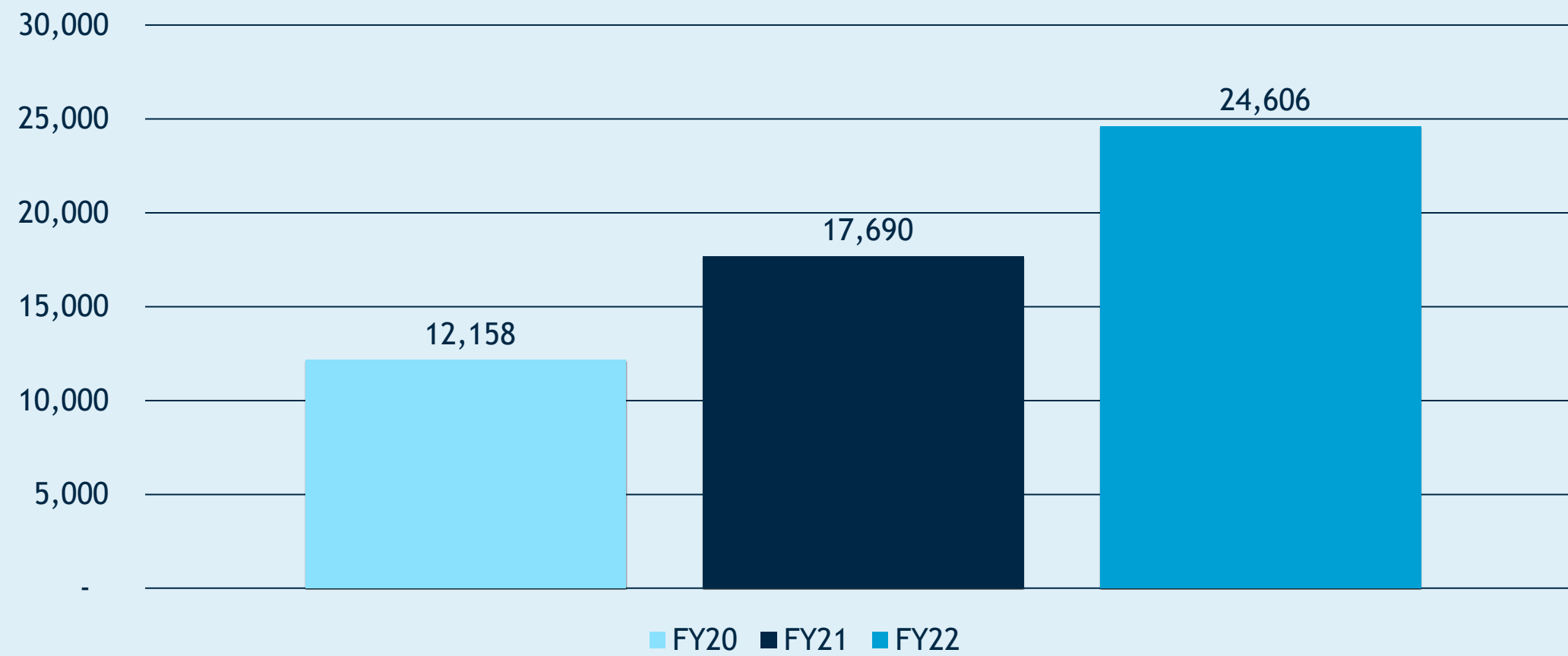
	Total		Accounting		Wealth		Services	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	220,504	177,795	115,225	106,926	98,851	70,869	6,428	–
Fees	(84,499)	(57,011)	–	–	(83,442)	(57,011)	(1,057)	–
Revenue less fees	136,005	120,784	115,225	106,926	15,409	13,858	5,371	–
Direct costs	(67,514)	(63,036)	(60,402)	(57,667)	(5,313)	(5,369)	(1,799)	–
Contribution margin	68,491	57,748	54,823	49,259	10,096	8,489	3,572	–
Other income	6,547	1,126	5,459	1,126	1,088	–	–	–
Operating expenses	(46,709)	(37,813)	(36,495)	(29,929)	(7,968)	(7,884)	(2,246)	–
Underlying segment EBITA	28,329	21,061	23,787	20,456	3,216	605	1,326	–
Less: Non controlling interest	(12,215)	(9,528)	(11,728)	(9,481)	(482)	(47)	(5)	–
Underlying segment EBITA attributable to CountPlus shareholders	16,114	11,533	12,059	10,975	2,734	558	1,321	–

Basis of analysis:

This analysis is prepared by aggregating 18 Accounting firms, at 100% (including associates), as well as all Wealth and Services firms. The analysis includes the impact of group consolidation adjustments and eliminations, these have also been applied within the respective segments. This analysis reflects the underlying performance of each segment, demonstrating the scale of the CountPlus activities and network. Underlying EBITA excludes the impact of Government assistance of \$0.36M in FY2022 (FY2021: \$3.76M), Grandfathered revenue in FY2021: \$1.78M) and corporate office costs. Refer to page 21 for a reconciliation of underlying segment EBITA attributable to CountPlus shareholders to reported EBITA.

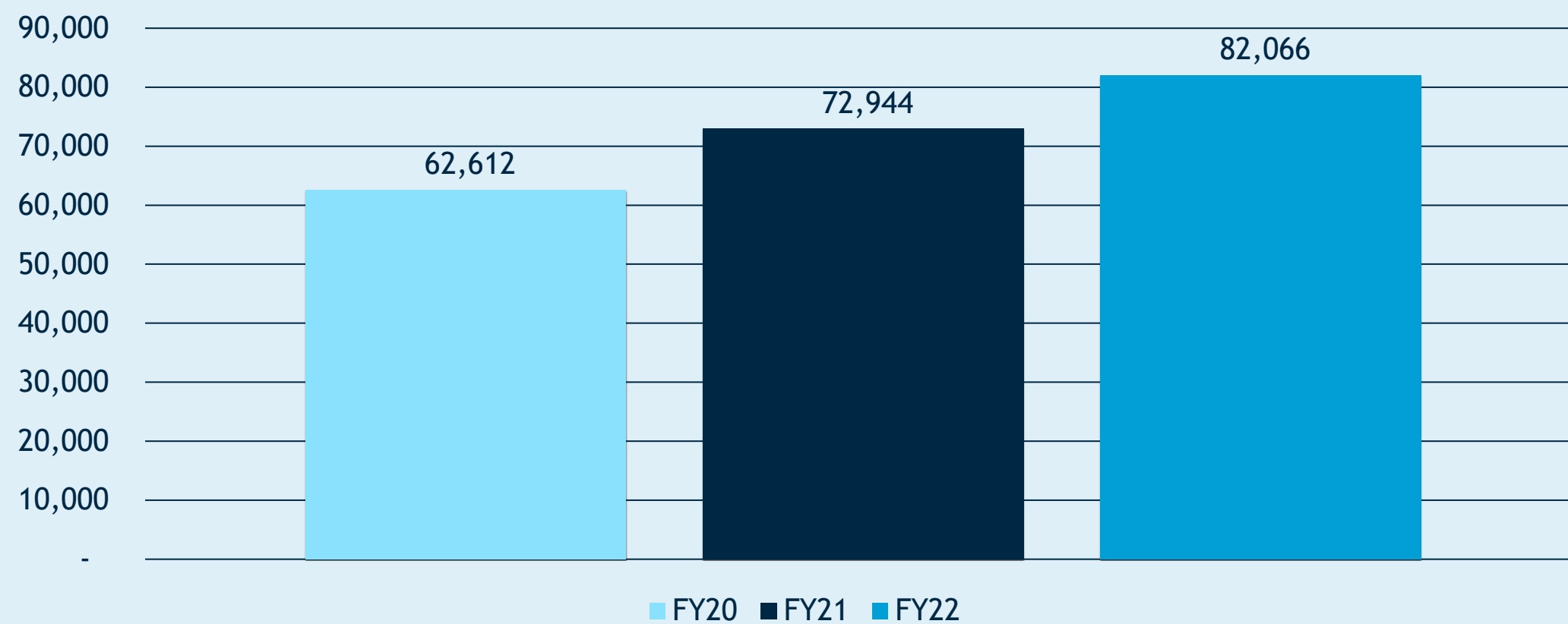
Wealth

Number of Advice Documents

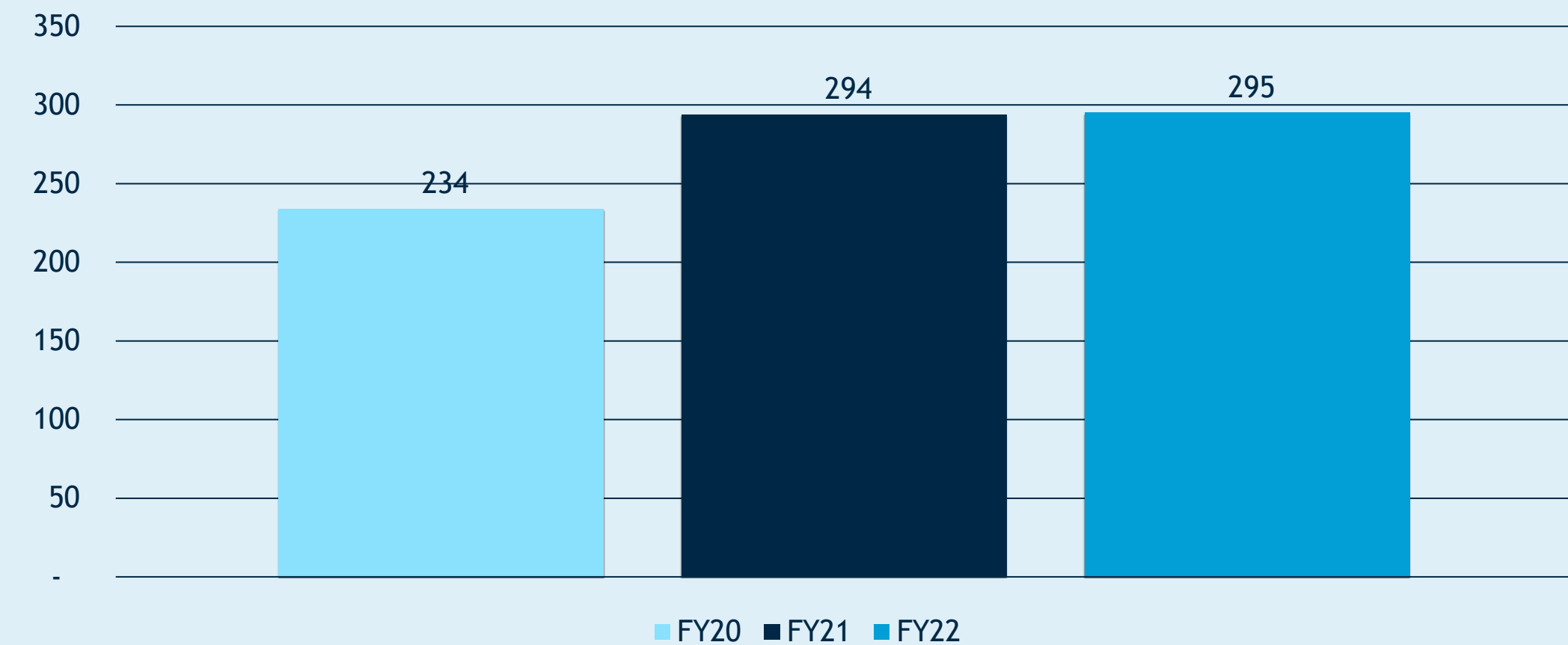


- **Advice documents** written up 102% in the past two financial years to 24,606
- **Gross Business Earnings (GBE)** up 31% from 2020 to \$82.07M in FY2022
- **GBE per Adviser** up 26% from FY2020 to FY2022

Gross Business Earnings - \$'000



Gross Business Earnings per Adviser - \$'000

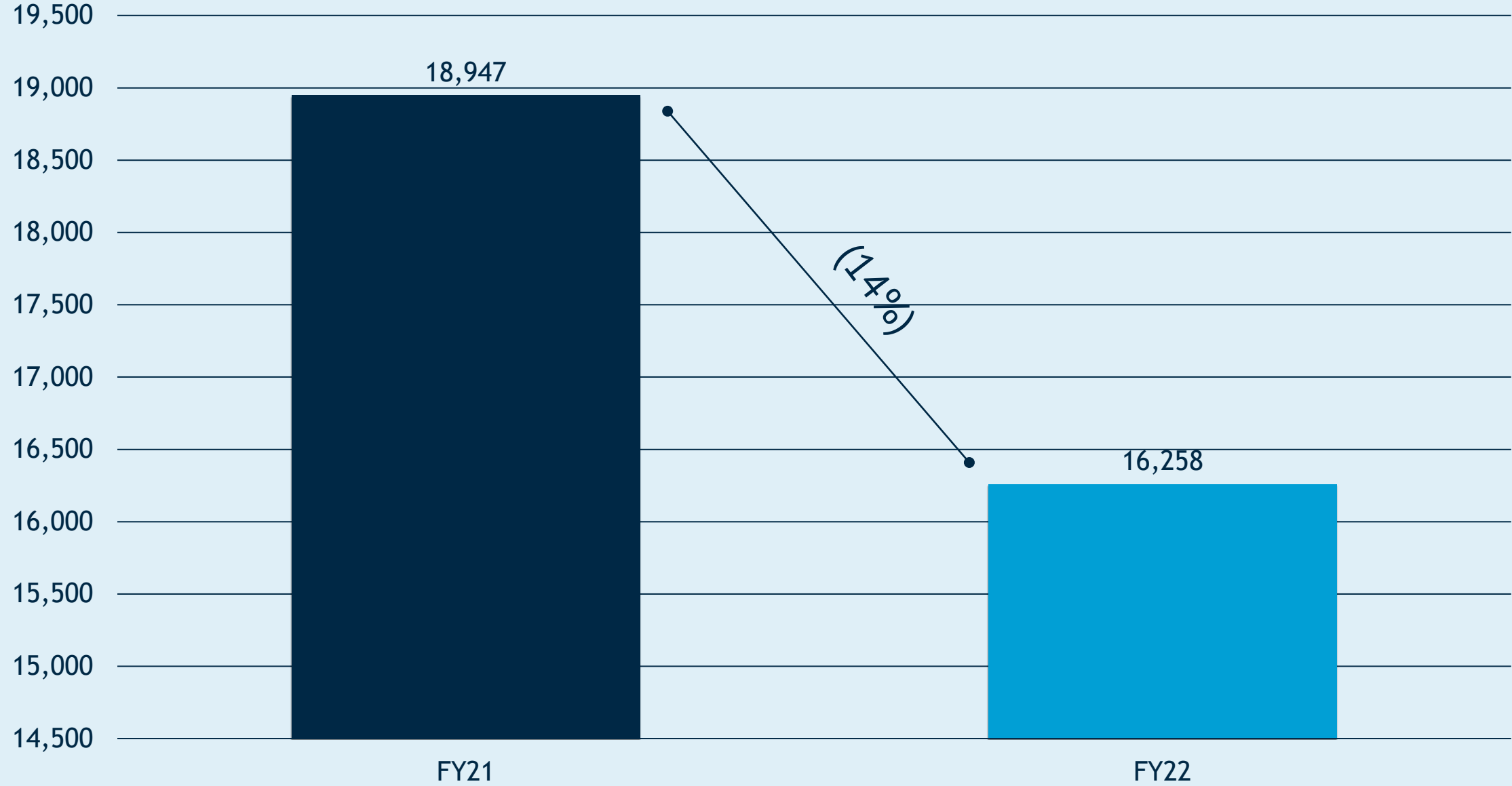


Financial adviser numbers update

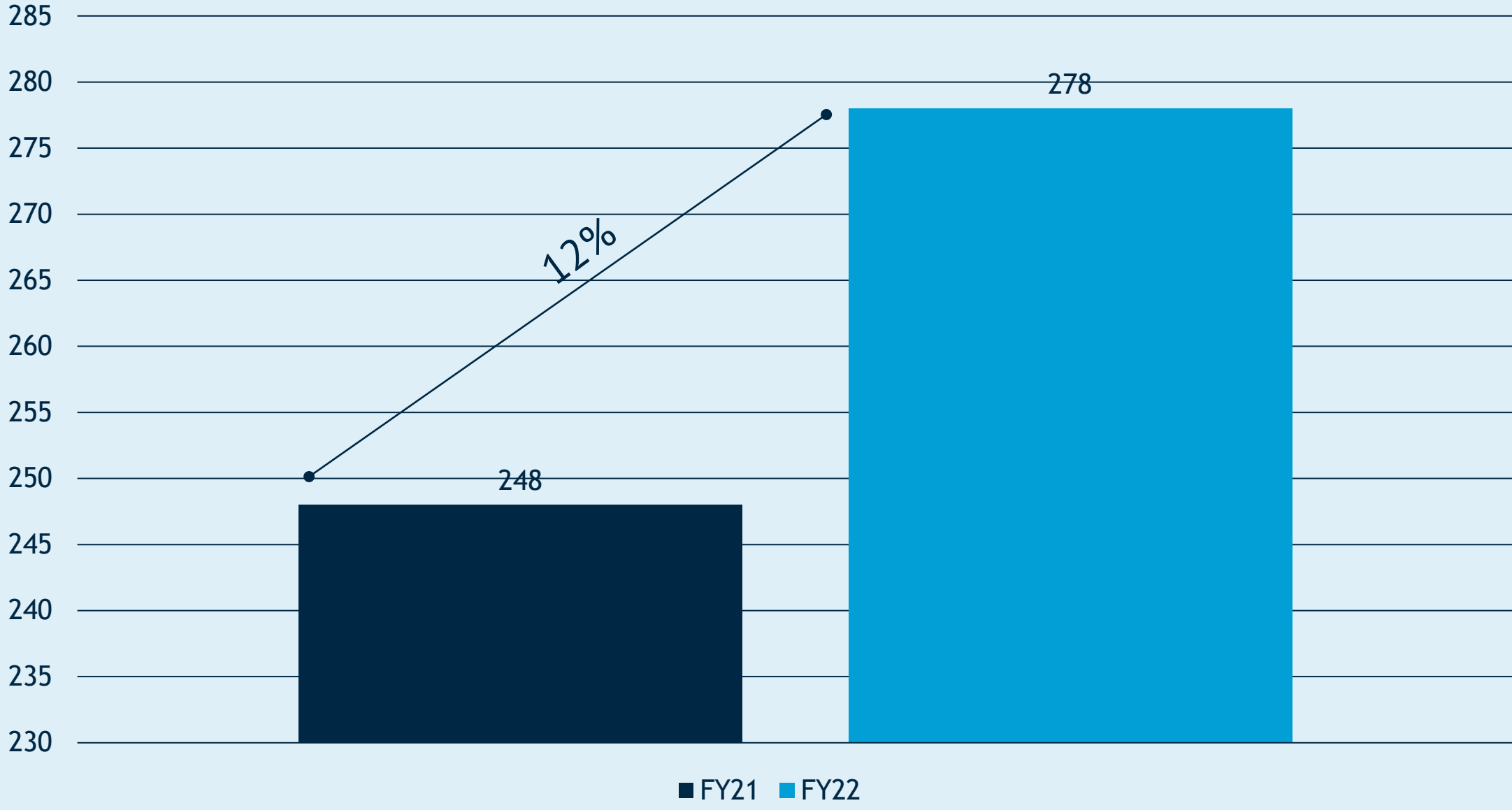
Count Financial outperformed the industry, with net Adviser numbers increasing by +30 to 278 in FY2022



Total number of advisers in Industry



Count Financial Adviser numbers



Sourced from data released by ASIC

Remediation provision

Remediation provision overview - \$'000				
Category	Provision 30 June 21	Adjustments	Payments made	Provision 30 June 22
Known indemnified matters	(259,810)	(13,118)	34,975	(237,953)
Unknown pre completion matters	–	–	–	–
Indemnified completion matters	–	–	–	–
Total	(259,810)	(13,118)	34,975	(237,953)

Adjustments in the provision arise due to the increase in the straight to pay payment threshold from \$2,000 to \$3,000 during the FY2022 year along with changes to the effect of time value of money due to changes in the expected payment profile compared to FY2021

Description

Metrics

Value of ongoing services charged	\$454,751,000 (2021: \$451,575,000)
Numbers of years issues occurred	11 years (2021: 11 years)
Refund rate (excluding straight to pay refunds) *	24% (2021: 24%)
Interest calc methodology	RBA cash rate + 6% compounded monthly
Value below which refunds will be made without investigation	\$3,000 (2021: \$2,000)

*The remediation provision remains based on the estimated refund rate of 24% (excluding straight to pay refunds). Count Financial will assess the accuracy of this estimated refund rate as actual cases are reviewed.

Why quality financial advisers are choosing Count Financial



Productivity

- **102%** uplift in the production of advice documents in the past two years
- **49%** increase in revenue per adviser since 2019
- **30%** reduction in statement of advice pages
- **95%** more automation of variables in advice documents
- Pre-vet turnaround times reduced from nine days in 2019 to under **two** days

Brand and Reputation

- **State-based** practice development team with a focus on growth strategies
- FY2022 adviser net promoter score of **+20**, compared to -29 in 2019
- A professional services model for the new world of advice
- 2021 dealer group of the year nominee (2021 IFA Excellence Awards)
- Named as a potential licensee of choice by the greatest proportion of advisers who are considering switching to a new licensee in the next 12 months (2021 Coredata Licensee Research)

Growth

- **\$12.1 billion** in funds under advice in FY2022 (FY2019: \$7.9 billion), an increase of **53%**
- **33%** increase in average revenue per firm since 2019
- **278** authorised representatives at 30 June 2022 (2021: 248), an increase of **12%**
- **129** member firms at 30 June 2022
- **Six** approved product list available platforms in FY2022, three times more than in FY2019
- Market leading Professional Year program

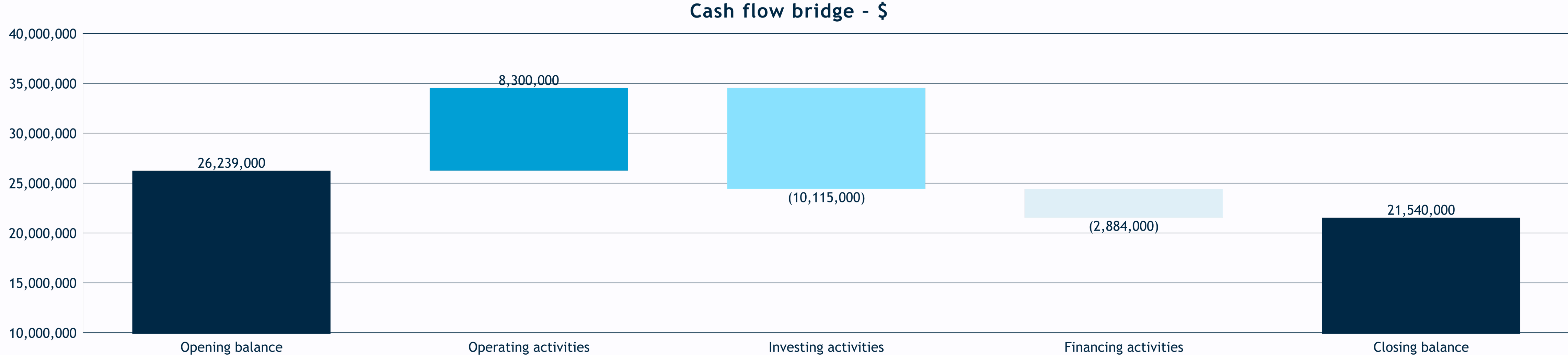
Group cash flow

2022 Full-Year Results Overview



Statutory cash flow bridge

Statutory cash flow bridge – 1 July 2021 to 30 June 2022



Cash on hand has decreased in FY2022 from FY2021 due to acquisitions completed during the year. These include:

Accounting

- SCBA
- 4Front Holdings
- BBV
- Sphere Wealth

Services

- Accurium
- Wealth Axis

Appendices

Appendices

Appendix 1: CountPlus wholly-owned subsidiaries, partially owned subsidiaries and associates

No.	Accounting firms	Shareholding
	Wholly-owned subsidiaries	%
1.	Addvantage Financial Freedom Pty Ltd	100.00
2.	CountPlus One Pty Ltd	100.00
3.	Evolution Advisers Pty Ltd	100.00
4.	Bentleys (WA) Pty Ltd	100.00
Partly-owned subsidiaries		%
5.	Crosby Dalwood Pty Ltd	90.00
6.	Unite Advisory Pty Ltd	75.00
7.	The MBA Partnership Pty Ltd	73.08
8.	Kidmans Partners Pty Ltd	64.15
9.	Moggs Accounting + Advisory Pty Ltd	60.00
10.	AdviceCo CA Pty Ltd	60.00
11.	Twomeys Group Pty Ltd	60.00
12.	4Front Holdings Pty Ltd	51.00

Note:

- CountPlus management views the shareholding in Rundles CountPlus and Rundles Financial Planning as one investment.

No.	Accounting firms	Shareholding
	Associates	%
13.	Southern Cross Business Holdings Pty Ltd	49.00
14.	Hunter Financial Planning Pty Ltd	40.00
15.	OBM Financial Services Pty Ltd (“O’Brien”)	40.00
16. (a)	Rundles CountPlus Pty Ltd*	40.00
16. (b)	Rundles Financial Planning Pty Ltd*	20.00
17.	One Hood Sweeney Pty Ltd	32.36
18.	DMG Financial Holdings Pty Ltd	30.00

No.	Wealth firms	Shareholding
	Partly-owned subsidiaries	%
1.	Count Financial Limited	85.00

No.	Services firms	Shareholding
	Partly-owned subsidiaries	%
1.	Accurium Holdings Pty Ltd	85.00
2.	Wealth Axis Pty Ltd	51.00

Appendices

Reconciliation of underlying segment EBITA attributable to CountPlus shareholders to reported EBITA



	Total		Accounting		Wealth		Services	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying segment EBITA attributable to CountPlus shareholders	16,114	11,533	12,059	10,975	2,734	558	1,321	–
Add: Non-controlling interest (NCI)	12,215	9,528	11,728	9,481	482	47	5	–
Underlying segment EBITA	28,329	21,061	23,787	20,456	3,216	605	1,326	–
Add: Government grants	360	3,764	360	3,764	–	–	–	–
Add: Grandfathered revenue	–	1,780	–	–	–	1,780	–	–
Less: Associates NCI	(10,469)	(8,266)	(10,469)	(8,266)	–	–	–	–
Segment EBITA	18,220	18,339	13,678	15,954	3,216	2,385	1,326	–
Less: Corporate office costs	(6,701)	(6,393)						
Reported EBITA	11,519	11,946						

Basis of analysis:

This analysis reconciles underlying segment EBITA attributable to CountPlus shareholders to reported EBITA

Important information



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