

ASX announcement

CountPlus Limited



2022 HALF-YEAR RESULTS

Presentation and Investor Discussion Pack
24 February 2022 (Sydney).

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

Important information



This presentation is provided for information purposes only. The information in this presentation is in a summary form, does not purport to be complete and is not intended to be relied upon as advice to investors or other persons. The information contained in this presentation was provided by CountPlus Limited ABN 11 126 990 832 (CountPlus) as of its date and remains subject to change without notice. This presentation has been provided to you solely for the purpose of giving you background information about CountPlus and should be read in conjunction with CountPlus' market releases on the ASX.

No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness or fairness of the information, statements, opinions or matters contained in this presentation. CountPlus, its related bodies corporate, shareholders or affiliates, nor any of their respective officers, directors, employees, related bodies corporate, affiliates, agents or advisers makes any representations or warranties that this presentation is complete or that it contains all material information about CountPlus or which a prospective investor or purchaser may require in evaluating a possible investment in CountPlus or applying for, or a subscription for or acquisition of, shares in CountPlus.

To the maximum extent permitted by law, none of those persons accept any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of information contained in this presentation or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation.

Certain statements in this presentation may constitute forward-looking statements or statements about future matters (including forecast financial information) that are based upon information known and assumptions made as of the date of this presentation. These statements are subject to internal and external risks and uncertainties that may have a material effect on future business. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this presentation. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future by CountPlus or any other person.

The provision of this presentation is not a representation to you or any other person that an offer of securities will be made and does not constitute an advertisement of an offer or proposed offer of securities. CountPlus has not independently verified any of the contents of this presentation (including, without limitation, any of the information attributed to third parties).

This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities in CountPlus and neither this presentation nor any of the information contained herein shall form the basis of any contract or commitment. This presentation does not constitute financial product advice to investors or other persons and does not consider the objectives, financial situation or needs of any particular investor. A reader should, before making any decisions in relation to their investment seek their own professional advice.

All currency amounts are in AUD unless otherwise stated.

Reported earnings and underlying performance

- Reported Earnings Before Interest, Tax and Amortisation ('EBITA') **\$5.90M** (1H2021 \$8.88M incorporating grandfathered commissions of \$1.78M and government assistance of \$2.70M which reduced to \$0.17M in 1H2022).
- Underlying EBITA reflecting the group's trading and M&A activities is **\$5.73M**, an increase of **\$1.34M** from underlying EBITA in 1H2021 of **\$4.39M**. Underlying EBITA compares 1H2021 and 1H2022 by stripping out the impact of grandfathered commissions and government assistance received in 1H2021 and to a much lesser extent, in 1H2022.
- Reported NPAT **\$4.65M** (1H2021 \$5.55M incorporates grandfathered commissions of \$1.25M which ceased by 31 December 2020 and government grants of \$2.01M which reduced by \$1.87M in 1H2022). Reported NPAT attributable to CountPlus shareholders **\$3.44M** (1H2021 \$4.08M incorporates grandfathered commissions of \$1.10M which ceased by 31 December 2020 and government grants of \$1.61M which reduced by \$1.49M in 1H2022).
- Fully franked dividend of **1.50** cents per share at 1H2022.

New Core Related segment

- **Two** Core Related acquisitions, **One** Core Accounting Firm acquisition, **One** Core Accounting Firm associate acquisition, and **One** tuck-in acquisition in 1H2022.
- New "Core Related" segment EBITA **\$0.63M** (1H2021 nil) reflecting contribution from Accurium and Wealth Axis.

Financial Advice segment positioned for growth

- Financial Advice segment EBITA of **\$0.69M** (1H2021 \$1.61M) showing business has transitioned to new model without grandfathered revenue.
- Financial Advice segment has 263 Financial Advisers as at 13 February 2022 as we have onboarded 15 new Advisers since reporting date 1H2022 (248 advisers).

Core Accounting Firms improve key metrics

- Core Accounting Firms average profit margin improved to **22%** at 1H2022 (1H2021 20%).
- Core Accounting Firms lock up improved to **78 days** (1H2021 81 days).
- Earnings from Associate Firms under Owner, Driver – Partner ("OD-P™") model **\$1.78M** (1H2021 \$1.75M).

Capital to execute growth strategy

- Net cash on hand **\$11.48M** at 1H2022 (1H2021 \$22.79M).
- Banking facility with Westpac of **\$25.00M** extended for four years until 21 December 2025.

2022 Half-Year Results Overview

CountPlus Economic Engine – Segment Results Overview

Group

\$'000	1H2022	1H2021
Total Segment EBITA	7,722	10,511
Share of associate firm earnings, before Government Grants	1,708	1,588
Corporate office and other costs, before Government Grants	(3,603)	(3,779)
Government Grants paid to Associates and Corporate Office	74	555
Reported EBITA	5,901	8,875
Amortisation – Acquired Customer Relationships	(656)	(577)
Amortisation – other	(129)	(97)
Net Finance Costs	(542)	(504)
Profit before tax	4,574	7,697
Taxation	77	(2,150)
NPAT	4,651	5,547
Minority Interest	(1,209)	(1,465)
NPAT attributable to shareholders	3,442	4,082

In 1H2022 carried forward capital and revenue tax losses have resulted in a net income tax benefit being recognised in the Statement of Comprehensive Income.

Segments

	1H2022	1H2021
Core Accounting Firms	\$'000s	\$'000s
Gross revenue	33,296	34,228
Intercompany revenue	(241)	(173)
External revenue	33,055	34,055
Contribution	15,076	16,894
Other Income	1,895	2,435
Operating expenses	(10,563)	(10,427)
Reported EBITA	6,408	8,902
Government Grants	97	2,144
Underlying EBITA	6,311	6,758

Core Accounting Firms have performed satisfactorily despite the economic challenges posed by COVID-19. This segment does not include share of Associate Firm earnings (i.e. firms with minority interest – refer group).

	1H2022	1H2021
Financial Advice	\$'000s	\$'000s
Gross revenue	7,213	8,223
Intercompany revenue	–	–
External revenue	7,213	8,223
Contribution	4,648	5,907
Other Income	–	–
Operating expenses	(3,959)	(4,298)
Reported EBITA	689	1,609
Grandfathered revenue	–	1,784
Underlying EBITA	689	(175)

Market factors meant some new advisers received fee discounts during this period. Discounts roll off 12 months post onboarding.

	1H2022	1H2021
Core Related	\$'000s	\$'000s
Gross revenue	1,788	–
Intercompany revenue	(160)	–
External revenue	1,628	–
Contribution	1,195	–
Other Income	–	–
Operating expenses	(570)	–
Reported EBITA	625	–
Nil	–	–
Underlying EBITA	625	–

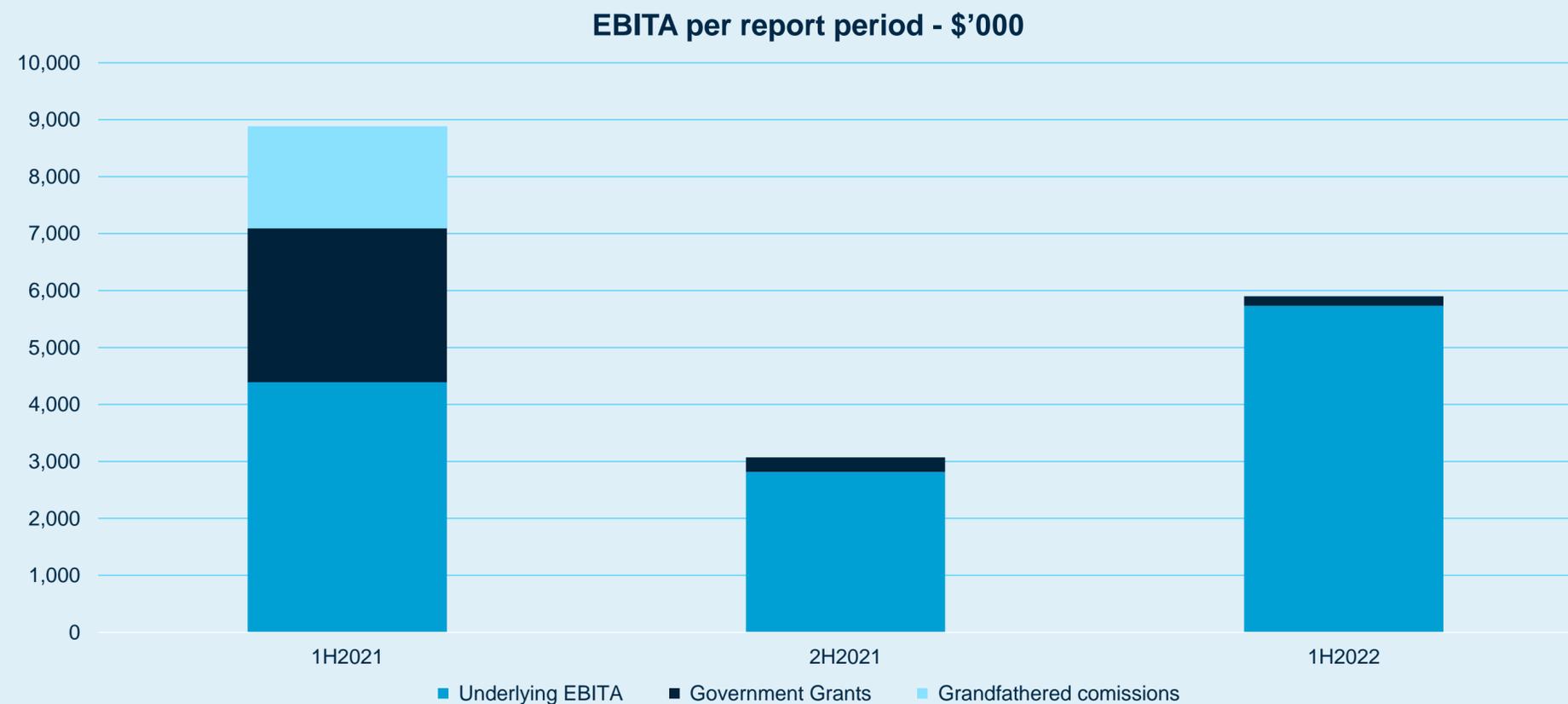
Acquisition of Accurium and Wealth Axis during the period resulted in the creation of this new segment.

2022 Half-Year Results Overview



Underlying EBITA

Underlying EBITA	1H2021	2H2021	1H2022	Movement – 1H2022 vs 1H2021	
	\$'000	\$'000	\$'000	\$	%
EBITA – Reported	8,875	3,071	5,901	(2,974)	(34)
Government Grants	(2,699)	(255)	(170)	2,529	94
Grandfathered Commissions	(1,784)	–	–	1,784	100
Underlying EBITA	4,392	2,816	5,731	1,339	30



The underlying performance of the group’s activities reflects an increase in EBITA over the previous corresponding period of \$1.34M (30%) due to:

- the impact of the cessation of grandfathered commissions of \$1.78M
- the reduction in government grants of \$2.53M.

2022 Half-Year Results Overview

Core Accounting Firms – 100% aggregation



Pro forma P&L analysis	1H2022	1H2021	Movement
	\$'000	\$'000	%
Income from ordinary activities *	61,761	54,714	13
Operational Salaries (Note 1)	(31,338)	(28,501)	
Contribution margin	30,423	26,213	15
Other income (Note 2)	565	4,245	
Operating expenses (Note 1)	(17,368)	(15,274)	
Firm EBITA	13,620	15,184	(10)
Interest income	5	10	
Amortisation	(416)	(391)	
Interest expense	(567)	(629)	
Profit before tax	12,642	14,174	(11)
Income tax expense	(3,091)	(3,847)	
Net profit after tax	9,551	10,327	(8)

* Income from ordinary activities includes revenue from operating activities and income from the sale of fee parcels to exiting principals.

Notes:

1. Operational salaries and expenses have increased due to the merger of a subsidiary firm, an acquisition of two subsidiaries, an acquisition of an associate and a tuck-in during the period.
2. Other income reduced due to the reduction in government assistance received of \$3.37M.

Basis of analysis:

This analysis is prepared by aggregating all 18 Core Accounting Firms entities at 100% including associates (excluding Financial Advice and Core Related segments and Corporate Office).

This analysis reflects the underlying performance of all partner firms, ignoring the impact of shareholding to facilitate a year-on-year “same firm” comparison.

Included in these results is other income of \$0.36M in government assistance in 1H2022 (1H2021: \$3.73M). The benefits received by associates is grossed up to 100% in this analysis and is not comparable to reported results.

2022 Half-Year Results Overview



Cash Flow Bridge

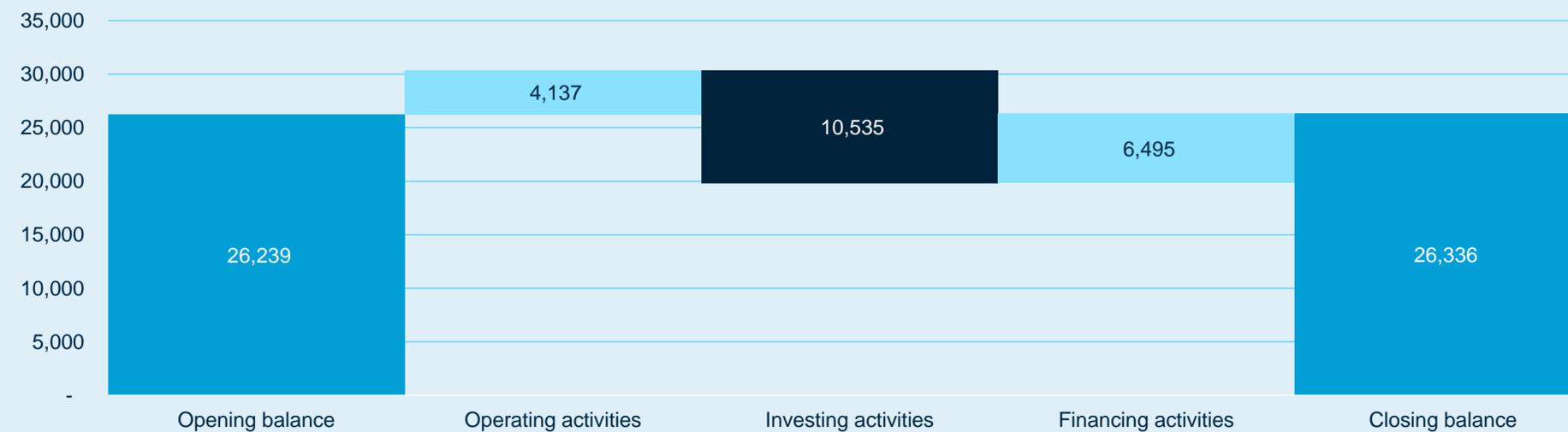
Cash flows from ordinary activities*	1H2022	1H2021	Movement
	\$'000	\$'000	%
Cash flow from operating activities – Reported	4,137	6,103	
Add: fee parcel sales to exiting employees in the ordinary course of business	2,607	–	
Adjusted cash flow from ordinary activities*	6,744	6,103	11

* Cash flow from ordinary activities includes cash flow from operating activities and cash flow from the sale of fee parcels to exiting employees in the ordinary course of business

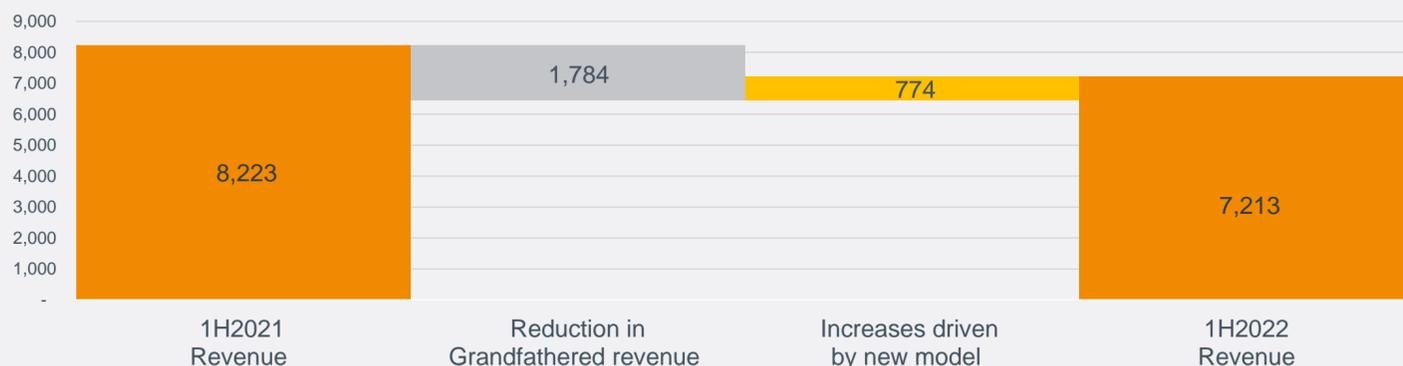
1H2022 showed a decline in cash flows from operating activities, as reported, due to:

- The ending of grandfathered commissions – a decrease of \$1.78M over the previous corresponding period; and
- The reduction in government grants (mainly JobKeeper) by \$2.53M over the previous corresponding period.

Cash flow bridge – 1 July 2021 to 31 December 2021



Financial Advice Revenue Overview – 1H2021 to 1H2022

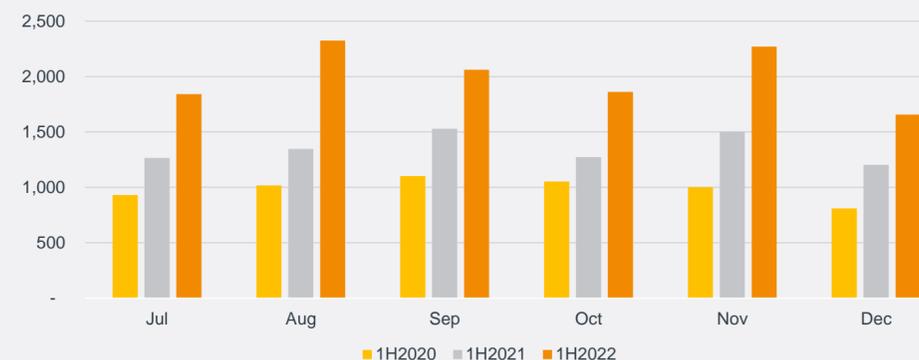


The cessation of Grandfathered revenue has resulted in a \$1.78m decrease in reported revenue results for the Financial Advice segment compared to 1H2021.

This has been partially offset by increases in reported revenue, driven by the new operating model leveraging our share of gross business earnings generated by financial advisers.

Some new onboarding advisers have received fee discounts during their initial onboarding period which has a short term impact on revenue.

Number of Advice Documents



	Advice Documents	Avg. per adviser
1H2020	5,920	19
1H2021	8,122	33
1H2022	12,015	49

Count Financial invested heavily in 1H2022 in a range of transformational programs to increase advice production efficiency, improve quality assurance controls, and enhance the overall customer experience. A key program delivered in 1H2022 has reduced the overall time and staff utilisation to produce advice documents. As a result, total advice documents issued in 1H2022 has increased by 48% per adviser relative to the previous period.

Number of Advisers



	No. of advisers
1H2020	284
1H2021	238
1H2022	248

At reporting date for 1H2022 Count Financial authorised 248 Financial Advisers.

Since reporting date Count Financial has onboarded 15 new Financial Advisers, our adviser community has 127 firms and 263 Financial Advisers on 13 February 2022.

There is a further 25 financial advisers in advanced due diligence and we expect to have grown our financial adviser cohort to 288 by 31st March 2022.

Gross Business Earnings

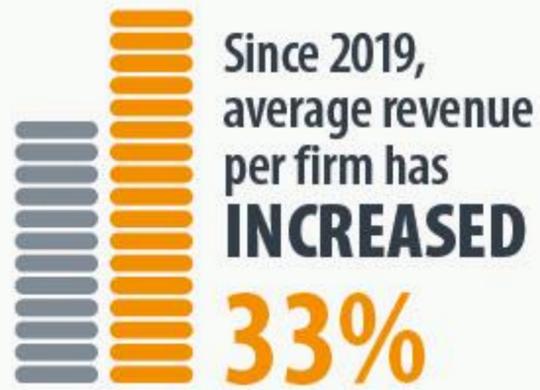


	Gross business earnings (\$'000)	Avg. per Adviser \$'000 (annual)
1H2020	29,669	188
1H2021	32,534	260
1H2022	39,444	323

As the Count Financial revenue model has now transformed to a “user pay” per adviser component and a share of adviser gross business earnings, key success factors will be a growing cohort of advisers and growing gross business earnings of their firm.

Our Financial Advisers are growing the number of clients they engage with and serve, in 1H2021 we served 15,033 clients and in 1H2022 we served 17,567 clients.

Why professional financial advisers are choosing Count Financial



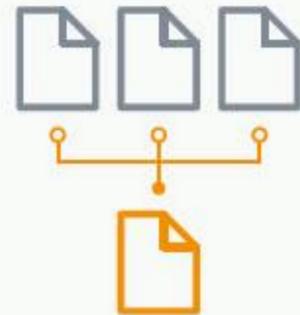
30% REDUCTION in SoA pages thanks to the efficiency gains we have introduced

EXPANDED APPROVED PRODUCT LIST to give our advisers choice and flexibility when recommending products

95% MORE AUTOMATION of variables in advice documents which is saving time and effort for our advisers

2021 DEALER GROUP OF THE YEAR NOMINEE*
*2021 IFA Excellence Awards

A COMMUNITY OF
127 Member firms
263 Financial advisers



Named a potential licensee of choice by the **greatest** proportion of advisers who are considering switching to a new licensee in the next 12 months

STATE-BASED Practice Development team with a focus on growth strategies

A PROFESSIONAL SERVICES MODEL for the new world of advice

WE'RE INVESTING in the next generation of financial advisers with a market leading **Professional Year program**

*2021 CoreData Licensee Research

59% UPLIFT in the production of advice documents in the past year

PRE-VET TURNAROUND TIMES REDUCED from nine days in 2019 to under 2 days in 2021

2022 Half-Year Results Overview



Dividend

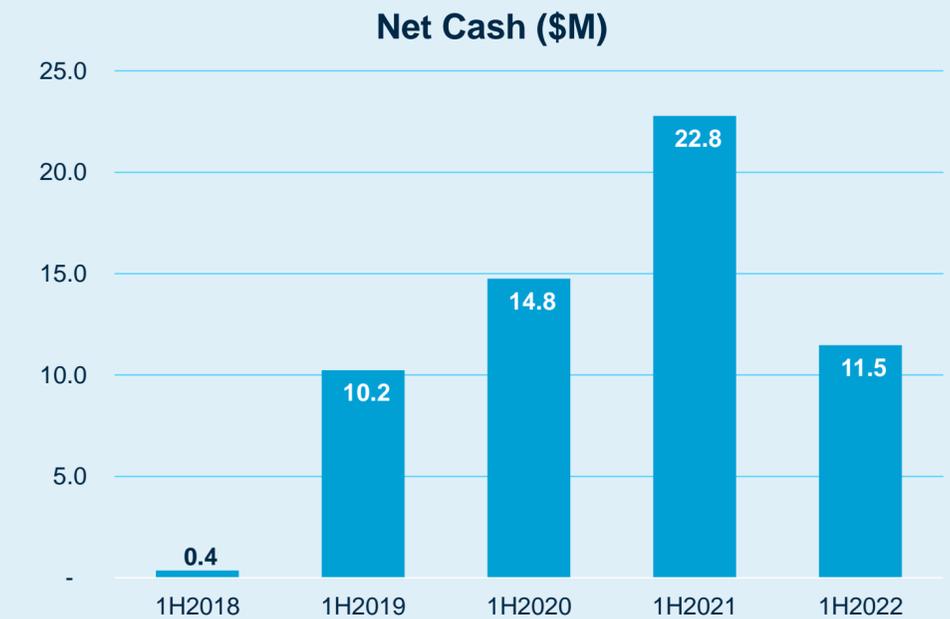
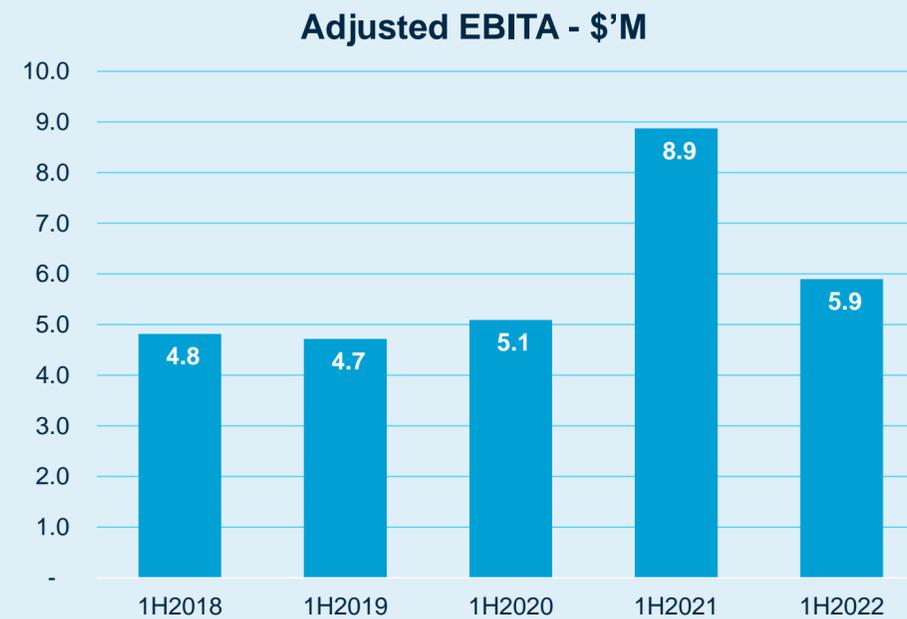
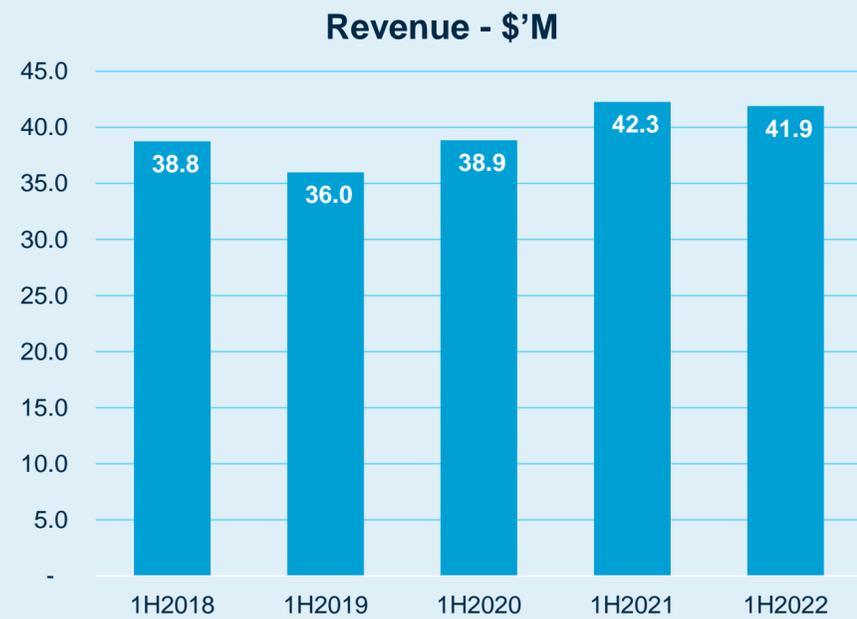
- 1H2022 dividend of **1.50** cents per share, fully franked.
- Target dividend pay-out ratio of **60%** to **90%** of maintainable net profit after tax, attributable to CountPlus shareholders for financial year 2022.
- Pay dividends out of operating cash flow generated, excluding government assistance.
- 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 1H2022 dividend

Ex-Dividend date	Record date	Payment date	Franking credits at 31 December 2021 amount to \$8.4M (30 June 2021 \$7.9M)
Thursday 17 March 2022	Friday 18 March 2022	Wednesday 6 April 2022	

2022 Half-Year Results Overview

CountPlus Financial Track Record – Group Results



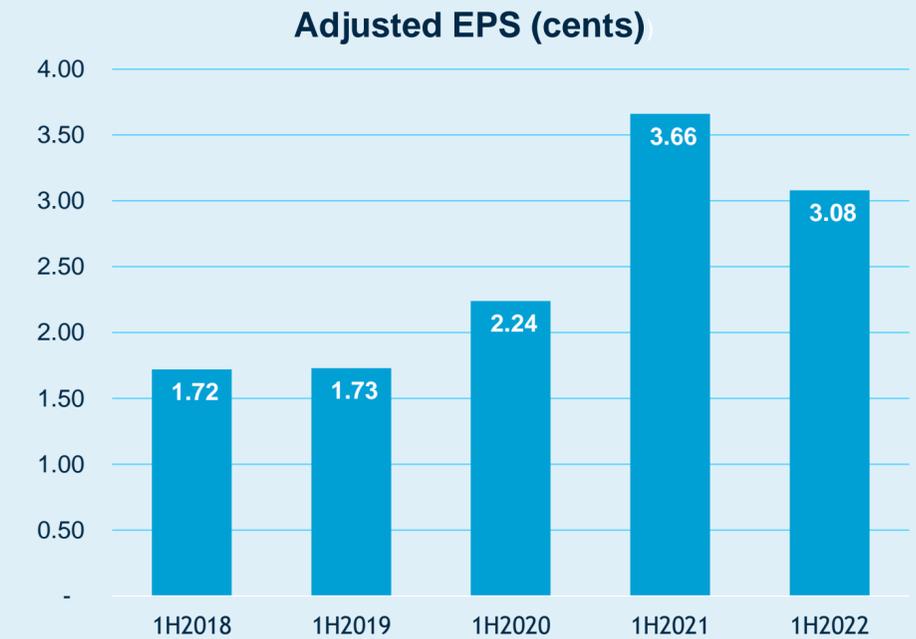
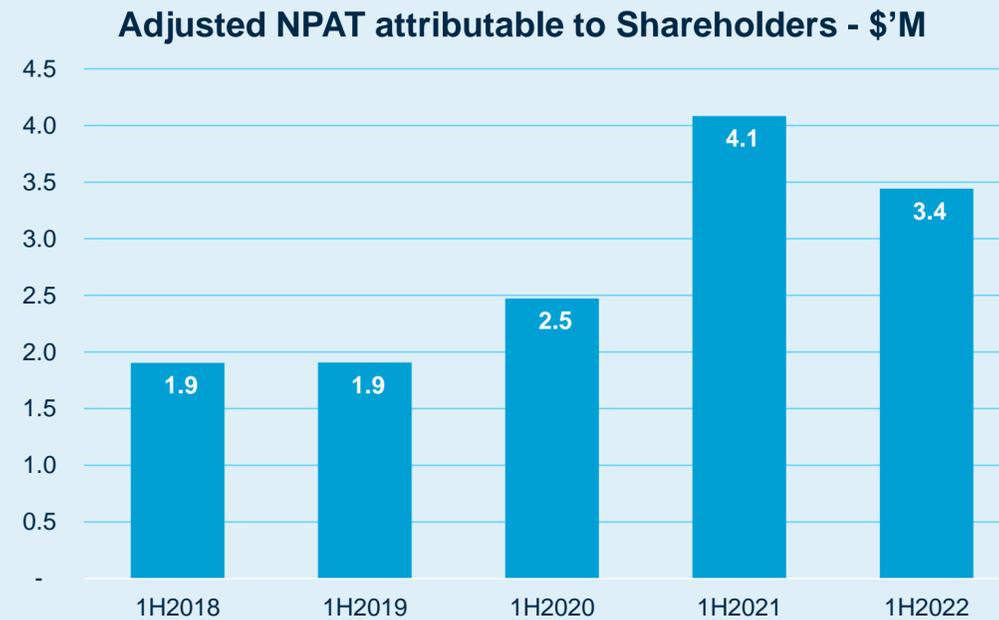
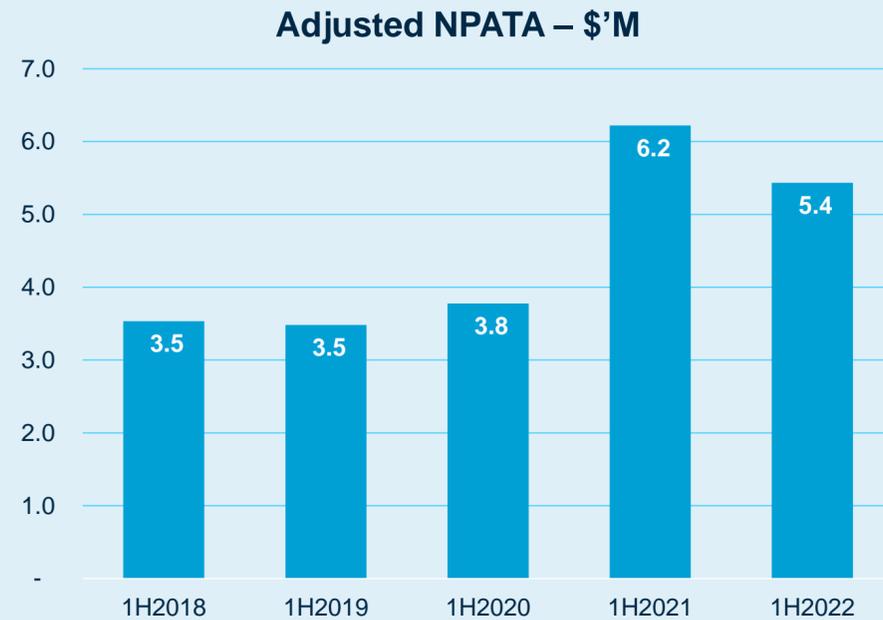
Notes:

- **Revenue** for 1H2022 remains in line with 1H2021 despite a reduction due to the cessation of grandfathered commissions amounting to \$1.78M.
- **Adjusted EBITA** for 1H2022 shows a reduction of \$3.00M when compared to 1H2021 due to the cessation of grandfathered commissions (\$1.78M) and the reduction in government grants received of \$2.50M. Underlying EBITA shows an increase of \$1.3M or 30%.
- **Net cash** has reduced by \$11.30M due to the investing activities. The group continues to generate positive cash flows from operations.

Source: CountPlus Investor Presentations: 1H2018 – 1H2022; CountPlus analysis

2022 Half-Year Results Overview

CountPlus Financial Track Record – Group Results



Notes:

- **Adjusted NPATA** for 1H2022 show a reduction when compared to 1H2021 due to the cessation of grandfathered commissions (\$1.25M) and the reduction in government grants received of \$1.87M.
- **Adjusted NPAT attributable to shareholders and EPS** for 1H2022 show a reduction when compared to 1H2021 due to the cessation of grandfathered commissions (\$1.10M) and the reduction in government grants received of \$1.49M.

Source: CountPlus Investor Presentations: 1H2018 – 1H2022 CountPlus analysis

2022 Half-Year Results Overview

CountPlus Financial Track Record – Core Accounting Firms Overview



Notes:

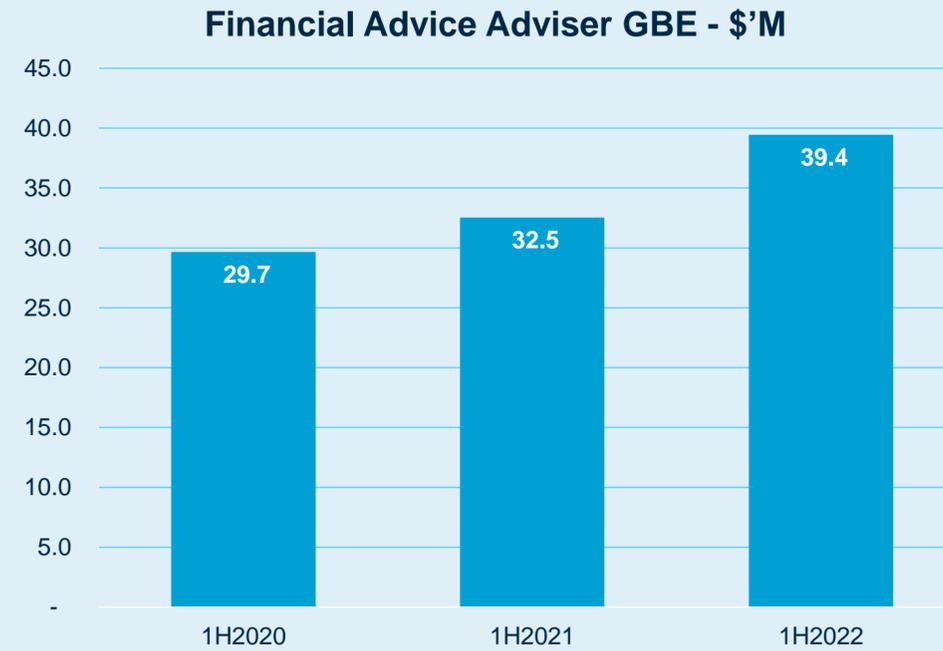
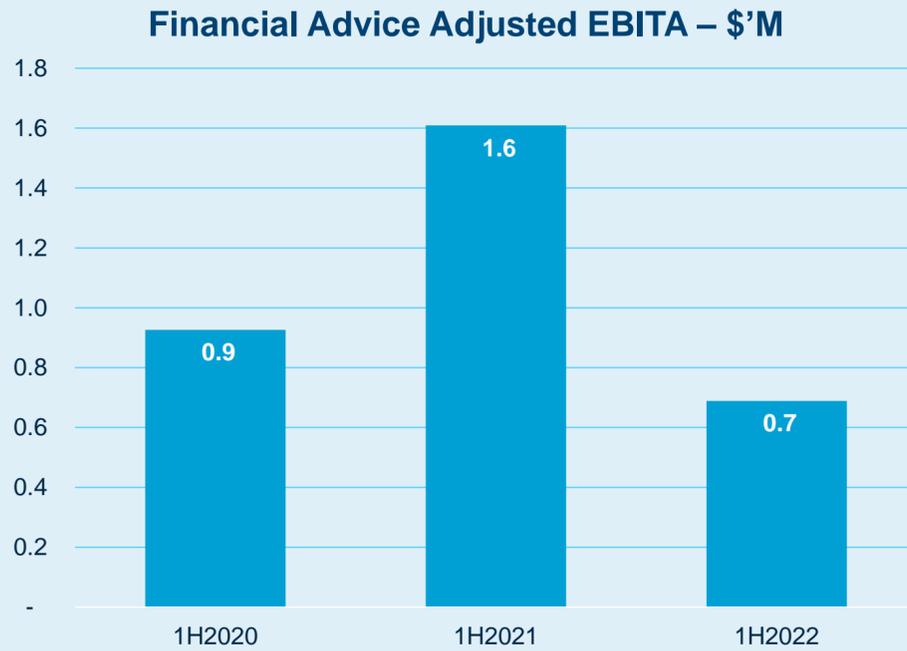
- **Aggregate Core Accounting Firms EBITA** for 1H2022 shows a reduction of \$1.60M when compared to 1H2021 due to the reduction in government grants received of \$3.37M.

Source: CountPlus Investor Presentations: 1H2018 – 1H2022; CountPlus analysis

*Firm margin of 22% exclude Bentleys due to the restructure underway subsequent to the sale of the Audit and Corporate finance practises during the year, if included firm margin is 29%.

2022 Half-Year Results Overview

CountPlus Financial Track Record – Financial Advice Overview



Notes:

- **Financial Advice Adjusted EBITA** for 1H2022 shows a reduction of \$0.90M when compared to 1H2021 due to the cessation of grandfathered commissions (\$1.78M).

Source: CountPlus Investor Presentations: 1H2018 – 1H2022; CountPlus analysis

Strategic overview



Vision, Purpose, Values, Strategic Drivers and Priority Outcomes

Our Vision

We will partner with leading firms and provide valued services to a professional community of financial advisers. We will, collectively, secure the financial well being of our clients.

Our Purpose

CountPlus collaborates with partner firms for mutual success, growth, and positive client outcomes.

Our Values

Bold and Courageous

We challenge the status quo.

Commitment

We go above and beyond to get the job done.

Teamwork

We work together, share the load, and have fun.

Strategic Drivers

Clients

We deliver advice that secures financial well being.

Firms

We provide financial and intellectual investment capital.

People

We invest in people and build leaders.

Focus

We believe in excellence = process x culture.

Financial

We will make a decent profit, decently.

Community

Our reputation is the sum of what the community thinks of us.

Priority Outcomes

Clients

We will act fairly and in the best interest of clients.

We deliver value in line with agreed client expectations.

We make a positive difference in the financial wellbeing of our clients.

Firms

All principals are aligned owners with CountPlus.

CountPlus is a participatory investor in professional advice firms.

We add value through strategy, people systems, structure & governance, culture and leadership.

People

A recognition culture that incentivises the demonstration of our values.

We assist firms build a bench strength of leaders and stars.

Our leaders are coaches.

We are who we promote.

Focus

We build firms that transcend generations.

Culture is our competitive advantage.

We systemise the routine, but we lead people.

We invest in technology that is additive to our core business.

Financial

Efficient and disciplined use of capital.

We invest in people that fit our family photograph.

We deliver sustainable returns to our shareholders by providing advice that makes a positive difference in the lives of our clients.

Community

Our network is a complementor to our firms' success.

Engage with Professional Associations for best practice.

Embed pro-bono and philanthropic programs aligned with the Count Charitable Foundation.

Appendices

Appendices

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

No.	Core Accounting Firms	Shareholding
	Wholly-owned subsidiaries	%
1.	Addvantage Financial Freedom Pty Ltd	100.00
2.	CountPlus One Pty Ltd	100.00
3.	Crosby Dalwood Pty Ltd	100.00
4.	Evolution Advisers Pty Ltd	100.00
5.	Bentleys (WA) Pty Ltd	100.00
	Partly-owned subsidiaries	%
6.	The MBA Partnership Pty Ltd	84.06
7.	Unite Advisory Pty Ltd	75.00
8.	Kidmans Partners Pty Ltd	64.15
9.	Mogg Osborne Pty Ltd	60.00
10.	AdviceCo CA Pty Ltd (Previously Robson Partners 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.	Core 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.	Financial Advice	Shareholding
	Partly-owned subsidiaries	%
1.	Count Financial Limited	85.00

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

Thank You