



Acquisition of Count Financial Limited

**Building an Accounting-led financial
advice business for the future**

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PRESENTED BY

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Disclaimer

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Pro forma financial information

CountPlus uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as non-IFRS (International Financial Reporting Standards) financial information. CountPlus considers that this non-IFRS financial information is important to assist in evaluating CountPlus’ performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the underlying operating performance of the business.

All dollar values used in this document are in Australian dollars (A\$) unless otherwise stated.

Overview

Transformational acquisition of Count Financial



- Binding sale and purchase agreement to purchase Count Financial Limited (Count Financial) from the Commonwealth Bank of Australia (CBA) for \$2.5M
- CountPlus is the natural home for Count Financial
- The full 100% of Count Financial will be purchased. The majority 85% of Count Financial will be acquired by CountPlus, with the 15% balance to be acquired by a wholly owned special purpose subsidiary of the Count Member Firm Trust (CMFT)
- Count Financial complements our **Accounting-led financial advice** model, accelerating the CountPlus growth strategy: non-vertically integrated, fee-for-service, aligned Owner, Driver - Partner model
- \$200M CBA indemnity against certain past regulatory and advice failure liabilities
- CBA has also confirmed its intention to sell down its 35.85% equity interest in CountPlus
- CountPlus shareholders to vote on transaction in early August. Shareholders will be sent notice of meeting and explanatory materials shortly

About Count Financial

Well established national network of firms



- 359 financial advisers and 160 firms
- Funds under administration (FUA) \$8.1 billion
- Gross revenue \$93.8M and net revenue \$25.2M (FY18 annual report)
- Count Charitable Foundation – Philanthropic vehicle for charitable organisations
- Count Financial has owned 40,945,747 shares in CountPlus since listing

Strong strategic fit

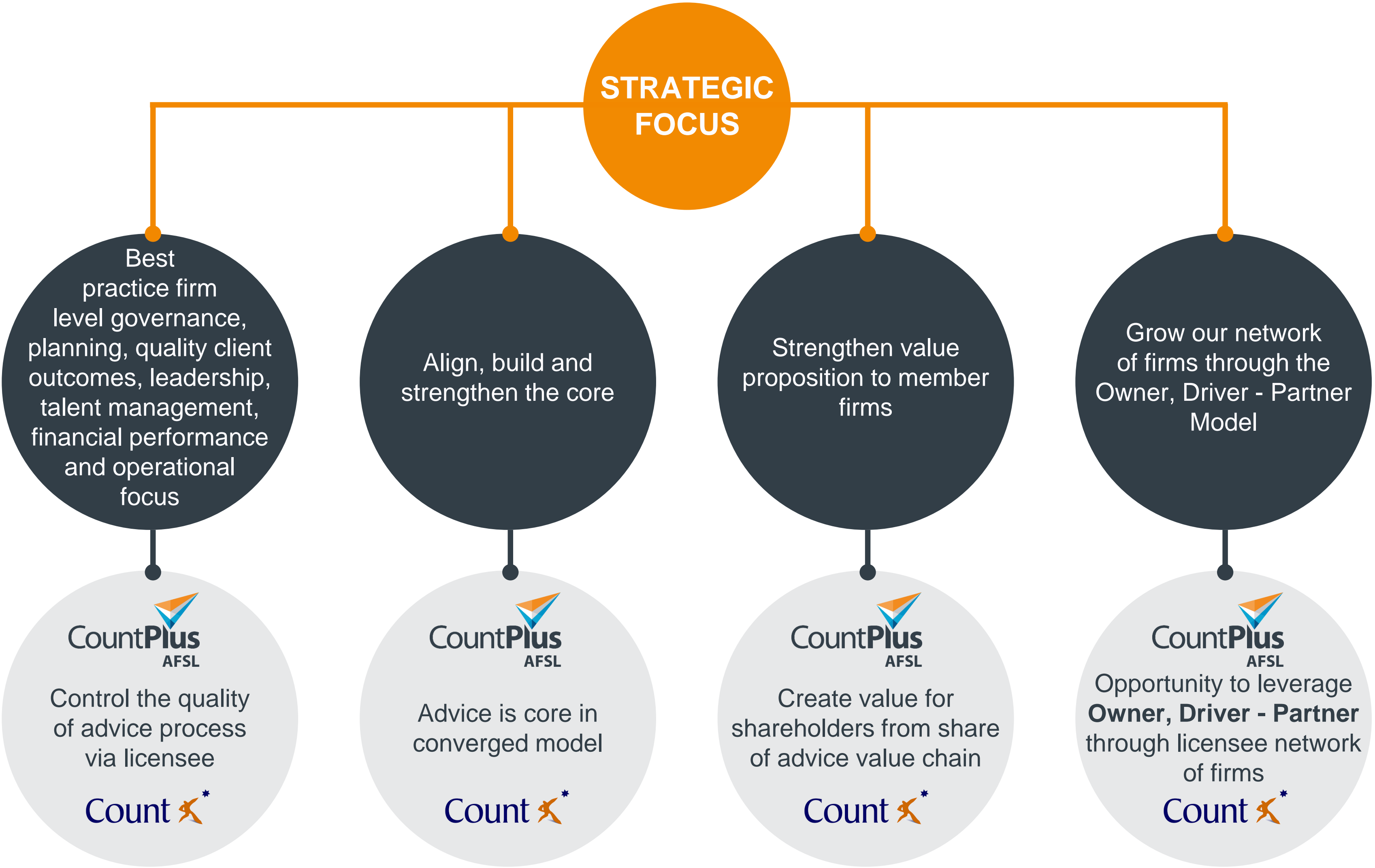
Aligned to our vision



- CountPlus is the natural home for Count Financial, we have a shared history
- The sale of Count Financial to CountPlus is a good outcome for Count Financial advisers and clients
- Acquisition is consistent with our vision to become Australia's leading network of professional accounting and advice firms, aligned through shared values, mutual success and our sense of community
- Count Financial enhances our scale and capability: it brings 359 financial advisers, 160 accounting firms managing \$8.1B in client funds under advice

Count Financial accelerates our growth strategy

Accelerates vision to become Australia's leading network of professional accounting and advice firms, aligned through shared values, mutual success and our sense of community



Transaction overview

Purchase price discount to net tangible assets



- Binding sale and purchase agreement purchase price of \$2.5M
- Funded from cash reserves
- Purchase price represents a discount to net tangible assets of Count Financial. Balance sheet has net assets of \$15M, nil debt and net cash of \$12M
- Strategy to restructure Count Financial for “new world” of financial advice. Risks of restructure reflected in net cash position of Count Financial
- Under CountPlus ownership significantly lower overhead structure, Count Financial expected to make a positive contribution in first year
- CBA intends to dispose of its 35.85% shareholding in CountPlus
- CountPlus shareholders to vote on transaction (ASX listing rule 10.1.3) in early August 2019

Investing in Accounting-led financial advice

Increasing scale and exposure



- The advice market is over \$5.0B in Australia in revenue
- 2.1 million Australians expected to seek financial advice in the next two years (Investment Trends)
- Greater convergence between Accounting and financial advice firms expected
- 82.3% of mass affluent Australians trust an accountant to deliver best interest advice. Only 41.2% trust a financial adviser in the post Royal Commission world
- Self managed super funds (SMSF) account for 54% of post accumulation superannuation assets. Estimated 99% of SMSF tax returns are lodged by a registered tax agent

Next steps

Medium term target - profitable, compliant and sustainable financial advice offer



- Strategic review of the value proposition i.e. what we do for Count Financial member firms
- Integrate systems and processes
- Rebuild of supervision and monitoring, quality assurance and training frameworks
- Assist Count Financial member firms transition to the “new world” of financial advice, i.e. banning of grandfathered commissions, new education standards and higher community expectations post Royal Commission
- Restructure cost base and inefficiencies post institutional ownership

THANK YOU

