

## ASX Announcement

26 February 2024

### **Centrepont Alliance delivers consistent earnings and adviser growth**

Centrepont Alliance Limited (ASX: CAF) ("Centrepont" or "the Company"), a leading provider of advice and business services to financial advice firms throughout Australia, is pleased to provide the Company's Interim Financial Report and Appendix 4D for the six months ended 31 December 2023.

#### **H1 FY24 Financial Highlights**

- Strong financial performance, achieving normalised EBITDA (excluding LTI awards, one-off costs and asset sales) of \$4.1m, up 11% (+\$0.4m) from H1 FY23 driven by a robust mix of organic growth and recent acquisition of Financial Advice Matters Group Pty Ltd (FAM) completed on 1 December 2023
- Interim fully franked ordinary dividend of 1.0c declared on 23 February 2024 with a payment date of 18 March 2024
- Gross revenue increased by \$6.3m (+4.7% on PCP)
- Management expenses flat on PCP (down 2.4% on PCP excluding FAM acquisition). Cost to income at 75% improved over PCP due to gross profit increase
- Cash of \$12.4m, down \$3.2m from June 2023 primarily driven by \$3.7m net cash flow from operations and \$4m loan borrowings offset by \$7.6m paid for FAM acquisition and \$4m in dividends paid out
- Gross profit up 2.5% (+\$0.4m) on PCP primarily through revenue uplift from \$0.6m organic licenced fee growth, \$0.5m FAM acquisition offsetting \$0.4m platform margin cessation
- PBT of \$2.4m down \$1.3m on PCP primarily due to a one-off \$1.6m Asset Sales (Ventura) in PCP. Normalising for PCP Asset Sales, H1 FY24 PBT increased by \$0.3m driven by gross profit increase

#### **H1 FY24 Operational Highlights**

- The market conditions for advice remain strong with significant demand for advice services, strong equity markets and easing of regulation through a series of reforms arising from the Quality of Advice Review.
- The Group's total number of advisers is now 1,338 advisers made up of 518 licenced advisers (net growth of +7 over the half) and 206 self-licenced firms (net growth of +10 over the half) representing 820 advisers. This performance is strong relative to peers with only three other licensees (with more than 100 authorised representatives), recording positive growth.
- The recruitment pipelines across the licenced and self-licenced business lines are strong largely driven by the disruption caused by licensee consolidation. Opportunities to recruit advisers will continue to materialise due to disruption in the market.
- The Groups commitment to service excellence is reflected in the Net Promotor Score (NPS), which has increased from +13 in August 2022 to +39 by November 2023. NPS operates on a scale from -100 to +100, with scores above 0 indicating positive sentiment and scores above +50 considered exceptional.

#### **CENTREPOINT ALLIANCE LIMITED**

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## H1 FY24 Acquisition

- The acquisition of FAM was completed on 1 December 2023. FAM is a Queensland-based financial planning group operating in eight locations, providing advice to over 1,550 household clients, with funds under advice in excess of \$1 billion. The acquisition is strategically important, creating operating scale in the important higher margin salaried advice segment, with 15 advisers joining the Group creating a national presence of 19 advisers.

## Strategic initiatives

- Growing our asset management business is a key strategic priority. A new range of managed accounts, the iQ Portfolios was launched on Macquarie Wrap in December 2023. These portfolios will be progressively launched across other partner platforms. The iQ Portfolios complement the existing range of managed accounts available through Colonial First State FirstChoice.
- CAF and FNZ have entered into a partnership to launch a new platform under the IconiQ brand name. FNZ are a global leader in platform technology with over \$2 trillion in funds under administration across with 650 client implementations across 30 countries. Scheduled to launch in Q3 of calendar year 2024, the service will consist of an Investor Directed Portfolio Service and a Superannuation platform. The offer will be competitively priced with no minimum fee, account aggregation and capped fee structure. The new offer will complement the twelve partner platforms available on the approved product list reinforcing CAF's position as a research driven open architecture provider of platforms and investment solutions.

Centrepoint Chair, Georg Chmiel, said:

*"As the newly appointed Chair, I am proud to be part of a company that plays such an important role in providing essential services to the financial advice industry. Our executive team has consistently delivered strong results, benefiting from acquisitions, organic adviser growth, and disciplined cost management. The business is well placed with our strong community of advisers providing scale. I am confident, our pipeline of strategic initiatives will deliver future growth as we continue to build our powerful wealth platform."*

Centrepoint CEO, John Shuttleworth, said:

*"Centrepoint Alliance is at an incredibly exciting phase of its development. The business has significant scale thanks to the trust placed in us by the 1,338 advisers we service. With the current dislocation in the market, we are seeing significant opportunity as advisers look for a licensee they can trust to help them with the services they need to manage their business. The recent acquisition of FAM is an important step to build a larger profitable salaried advice business complementing our licensee services. The pending launch of the IconiQ Platform and iQ portfolios launched in December will further expand the services we can offer our community of advisers".*

The release of this announcement has been authorised by the Board of Directors.

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#### **About Centrepoint Alliance**

Centrepoint Alliance (ASX: CAF) is a leading provider of advice and business services to financial advice firms throughout Australia. It offers a complete suite of governance, business management, client growth and advice services that enable advisers to spend more time providing advice to their clients.

Centrepoint Alliance is proactively leading the evolution of financial advice business models in Australia. It has introduced a clear fee-based pricing model that will support the provision of more transparent and better financial advice for Australia, increasingly through the use of digital and data technology enabled solutions.

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