



FY24 H1 RESULTS PRESENTATION AND STRATEGY UPDATE

John Shuttleworth, CEO

Brendon Glass, CFO

26th of February 2024

DISCLAIMER

This presentation is for general information purposes only and should be read in conjunction with the Half Year Financial Report for six months ending 31 December 2023 and the Appendix 4D lodged with the Australian Securities Exchange by Centrepont Alliance Limited (ASX:CAF) on 26 February 2024. This presentation does not provide recommendations or opinions in relation to specific investments or securities.

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All numbers are as at 31 December 2023 unless otherwise stated. Numbers may not add up due to rounding.

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

AGENDA

BUSINESS RESULTS

John Shuttleworth, CEO

FINANCIAL RESULTS

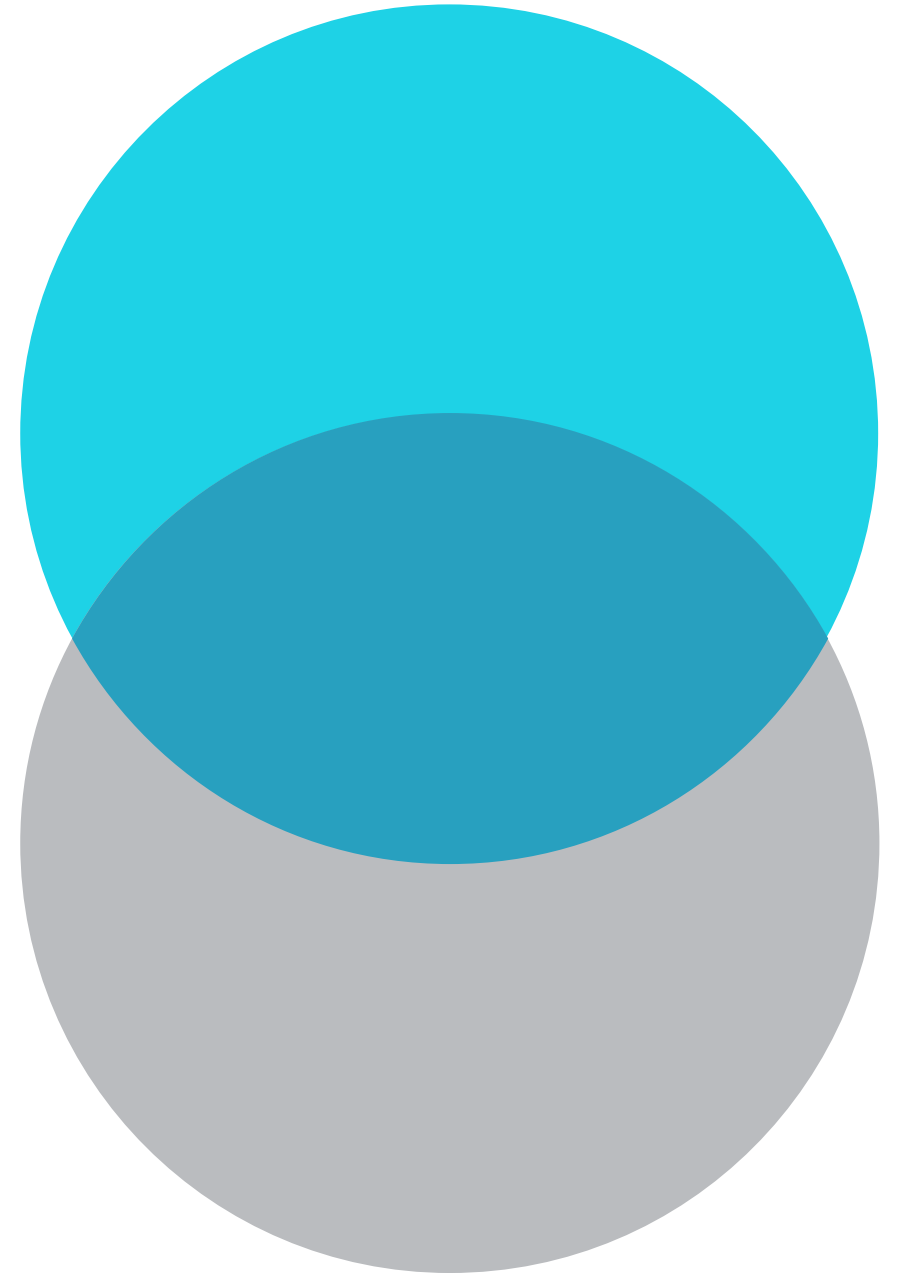
Brendon Glass, CFO

GROWTH STRATEGY & OUTLOOK

John Shuttleworth, CEO

BUSINESS RESULTS

John Shuttleworth, CEO



KEY HIGHLIGHTS FOR H1 FY24

**A leading
wealth
management
platform
providing
services to
advisers and
their customers**

- Continued **strong** financial performance
- **Positive conditions for advisers** – significant demand for services, positive equity markets, regulatory relief
- Acquisition of Financial Advice Matters in December 2023 creating a platform to **scale the salaried advice channel**
- **Continued growth** of licenced advisers and self-licenced firms in first half with strong pipeline due to disruption in the industry
- Service standards remain high and adviser satisfaction positive with **Net Promotor Score of +39**
- Launch of **new iQ managed portfolios** in Q2
- Partnership with FNZ to **launch a new Investment and Superannuation Platform** on global leading technology

SNAPSHOT OF H1 FY24 RESULTS



\$140.5m

Gross revenue



\$6.3m

+5%
on H123



\$4.1m

EBITDA (normalised)

Excludes asset sales,
LTI and one-off costs



\$0.4m

+11%
on H123



\$16.7m

Gross profit



\$0.4m

+2.5%
on H123



\$4.9m

Profit after tax



\$1.9m

+63%
on H123



\$12.4m

Cash

at 31 December 2023



21%

on 30 June 23

Primarily driven by \$3.7m net cash from operations and \$4m loan borrowings offsetting \$7.6m FAM acquisition payout and \$4m dividends paid













Dividend

Fully franked to be paid
18 March 2024

1¢ Ordinary

THE CHANGING INDUSTRY LANDSCAPE CONTINUES TO CREATE OPPORTUNITY

CHANGES IN ADVISER NUMBERS BY LICENSEE 1/7/2023 TO 15/02/2024

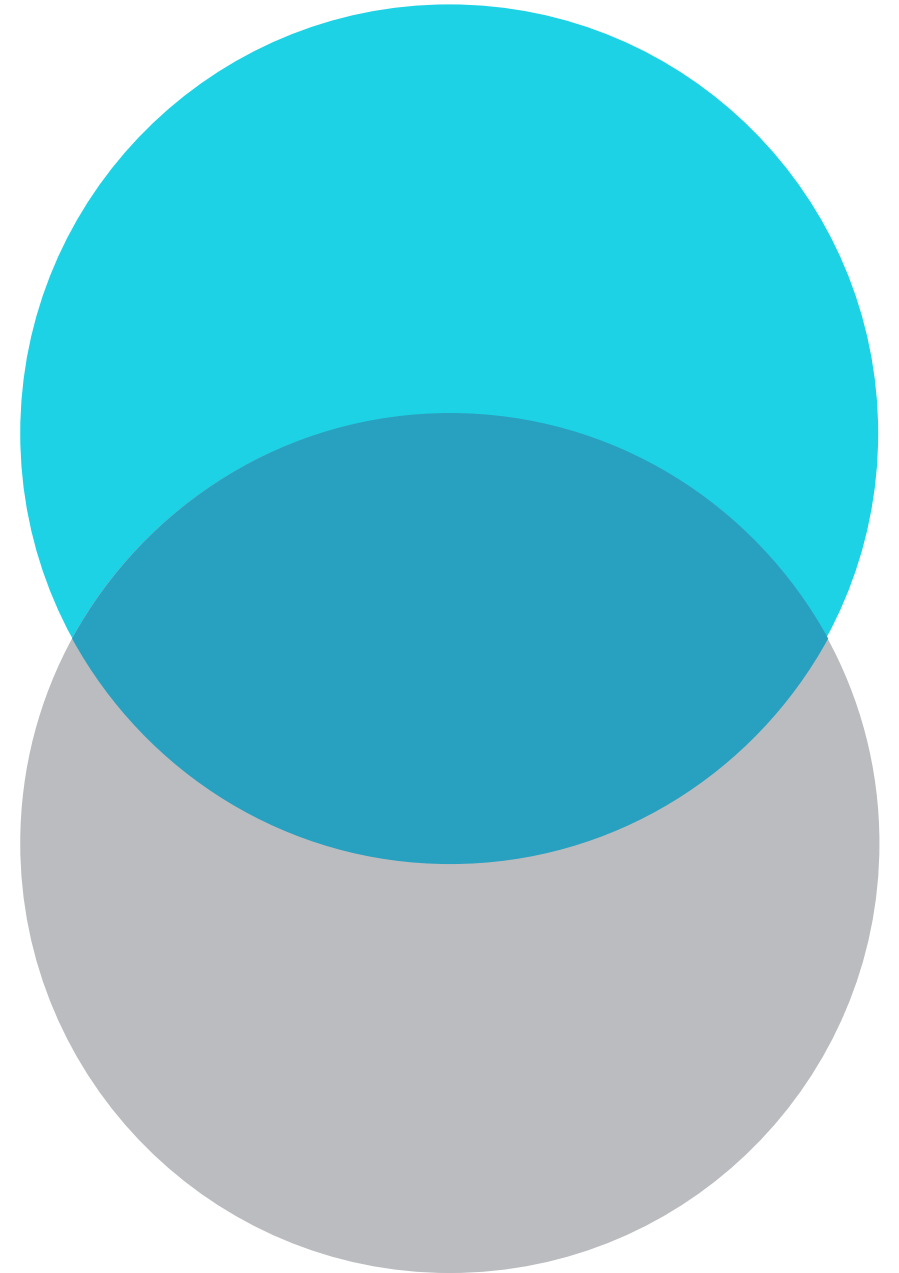
RANK	LICENSEE GROUP	NUMBER OF ARS ¹	APPOINTMENTS	RESIGNATIONS	NET CHANGE
1	 AMP	871	38	68	-30
2	 Insignia Financial	780	57	107	-50
3	 wealthtoday	554	35	52	-17
4	 CENTREPOINT ALLIANCE	532	56	34	22
5	 FORTNUM™ PRIVATE WEALTH	381	26	37	-11
6	 diverger	372	18	42	-24
7	 CountPlus	358	23	43	-20
8	 sequoia WEALTH MANAGEMENT	350	56	22	34
9	 Lifespan FINANCIAL PLANNING	282	37	10	27
10	 NTAA	245	9	10	-1

¹ Authorised Representatives

Source: Wealthdata analysis of ASIC Register Note appointments and resignations of ARs of entities purchased by the Licensee Group during the period are included in the statistics.

FINANCIAL RESULTS

Brendon Glass, CFO



FINANCIAL RESULTS SUMMARY

For the period	H1 FY23 (\$m)	H2 FY23 (\$m)	H1 FY24 (\$m)
Gross Revenue	134.2	137.4	140.5
Adviser fees	(117.9)	(121.2)	(123.8)
Gross Profit	16.3	16.2	16.7
Management Expenses	(12.6)	(12.3)	(12.6)
EBITDA (excluding LTI, One-Off Costs & Asset Sale)	3.7	3.9	4.1
Cost to Income Ratio	77%	76%	75%
LTI Costs	(0.2)	(0.2)	(0.2)
One-Off Costs	(0.4)	(0.2)	(0.7)
Asset Sale	1.6	0.2	-
EBITDA	4.7	3.7	3.2
Depreciation, Amortisation, Impairment, Finance Costs	(1.0)	(0.8)	(0.8)
Profit before Tax	3.7	2.9	2.4
Tax	(0.7)	0.4	2.5
Net Profit after Tax	3.0	3.3	4.9

- Gross revenue up \$6.3m (+4.7% PCP)
- Gross profit up 2.5% (+\$0.4m) on PCP primarily through revenue uplift from \$0.6m organic licensed fee growth, \$0.5m FAM acquisition¹ offsetting \$0.4m platform margin cessation
- Management expenses flat on PCP (down 2.4% PCP excluding FAM acquisition)²
- Cost to income at 75% improved over PCP due to gross profit increase
- EBITDA (excluding LTI, One-Off costs & Asset Sale) of \$4.1m up 11% (+\$0.4m) on PCP driven by gross profit increase
- 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

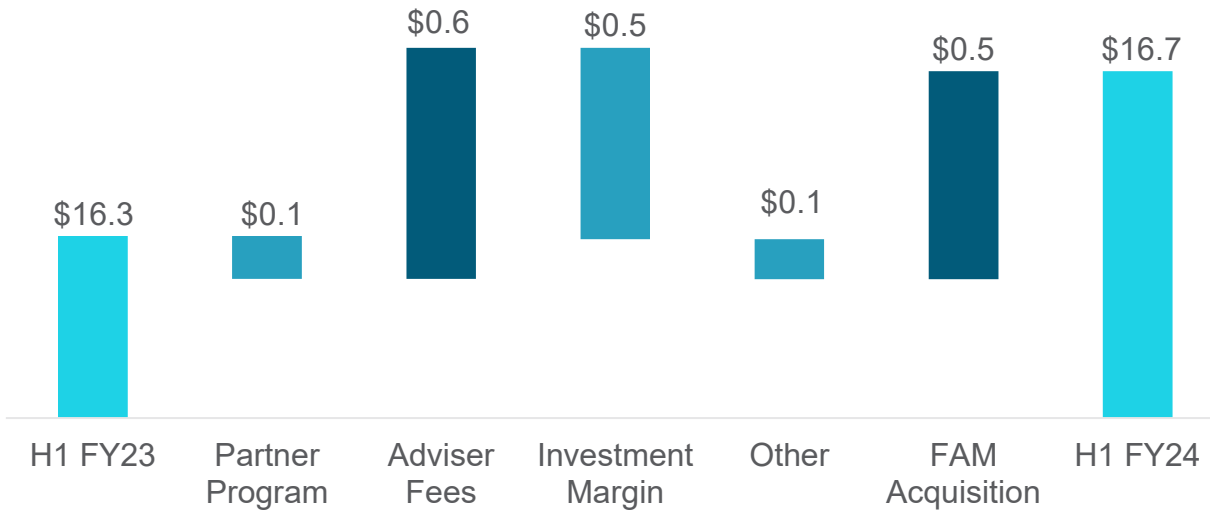
Sources: Centrepont Alliance financial analysis; H1 FY24 financial results.

Note: 1 FAM acquisition completed 01-Dec-2023.

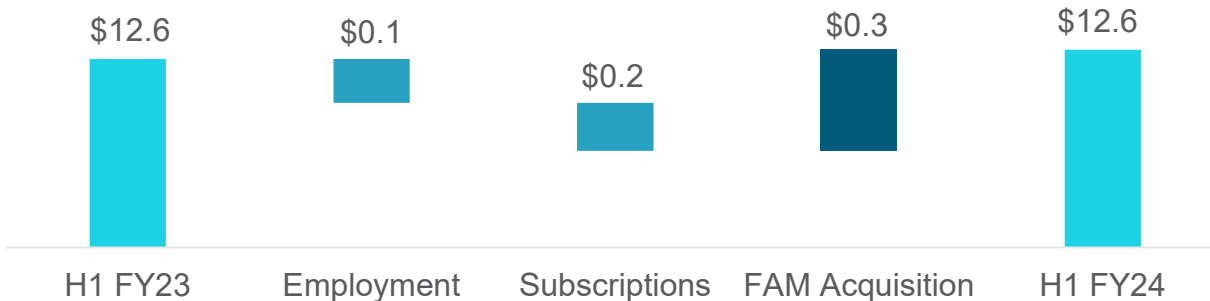
Note: 2 Statutory expenses up 3% on PCP due to redundancy costs from FAM acquisition.

REVENUE AND EXPENSE ANALYSIS

Net Revenue movement (\$m)



Expense movement (\$m)



Key revenue movements (vs. PCP) :

- Adviser fees up \$0.6m driven by adviser/firm growth; recently acquired advisers transitioning to full rate card during H1 FY24 and fee growth in self-licensed network
- Investment income down \$0.5m primarily due to \$0.4m lower fees from final cessation of platform agreements
- \$0.5m revenue from FAM acquisition completed 1 Dec 2023

Key expense movements (vs. PCP) :

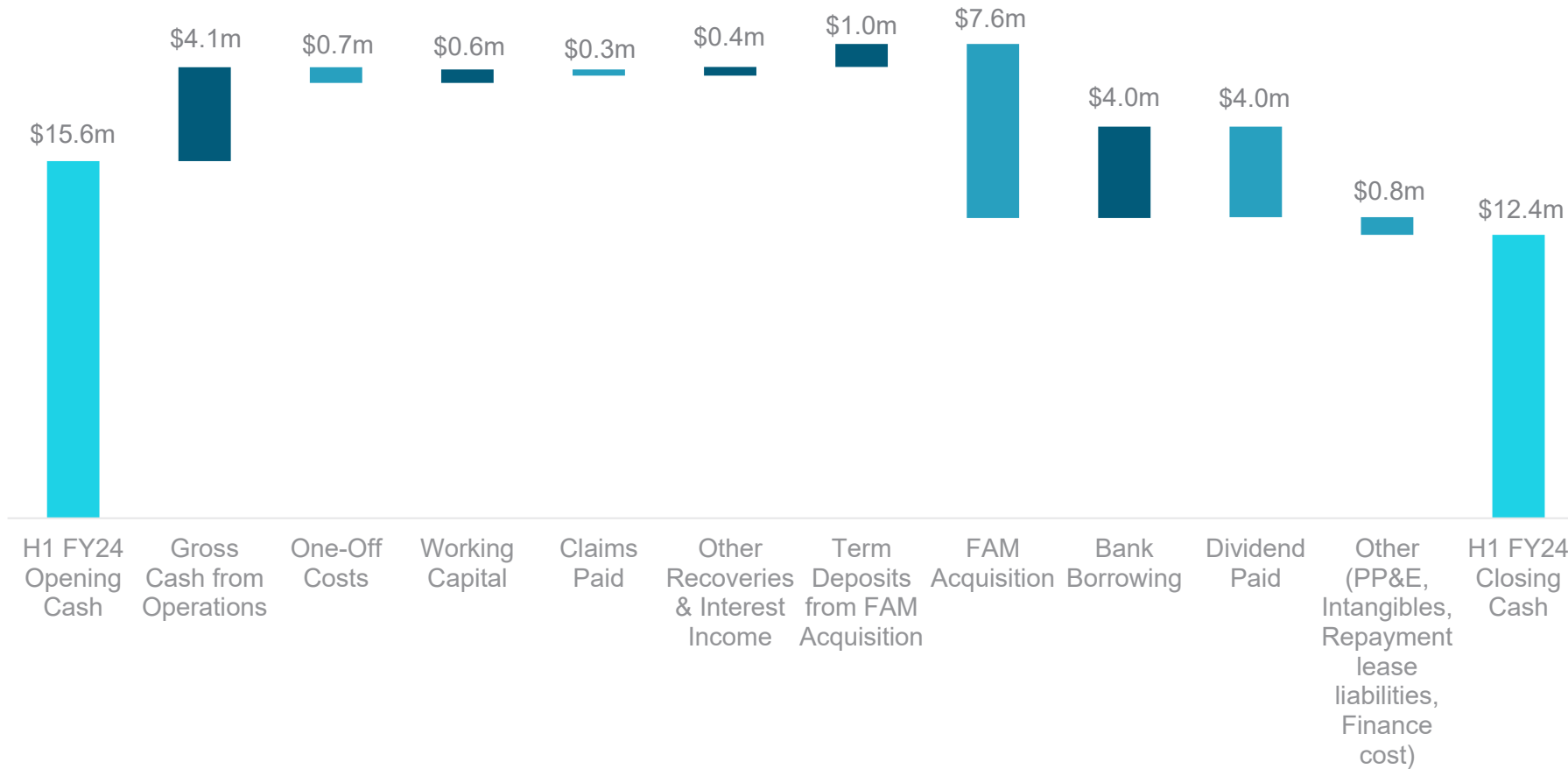
- Excluding the impact of FAM acquisition, expense down by \$0.3m (2.4%) to PCP mainly driven by:
 - Employment down \$0.1m (2%) with headcount (excl. FAM) reducing from 104.5 FTE in H1 FY23 to 94.8 FTE in H1 FY24
 - Subscriptions down \$0.2m (16%) due to cost savings
- \$0.3m increase in expense resulting from FAM acquisition. Acquisition added 27.2 FTEs taking group headcount to 122.0 FTEs

BALANCE SHEET

As at	30Jun23 (\$m)	31Dec23 (\$m)
Cash & Cash Equivalents	15.6	12.4
Trade and Other Receivables	6.6	7.4
Loans Receivable	0.1	0.1
Intangible Assets and Goodwill	17.5	24.3
Other Assets	8.3	13.7
Total Assets	48.1	57.9
Trade and Other Payables	9.3	12.7
Claims Provision	1.0	0.8
Loan Payable	-	4.0
Other liabilities	6.6	8.1
Total liabilities	16.9	25.6
Net Assets	31.2	32.3
Net Tangible Assets	10.1	1.9
Net Tangible Assets (cents per share)	5.1	1.0

- 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 dividends paid out
- Claims provisions: 17 open claims (FY23: 16). Excluding nil value claims, 5 open claims (FY23: 7)
- \$4m drawn down in H1 FY24 from \$8m NAB facility for FAM acquisition (total overall facility available is \$10m)
- Net Assets marginally increased primarily due to \$4.9m net profit after tax generated during H1 FY24, offset by \$4.0m dividends paid

CASH MOVEMENT H1 FY24



- Cash in Dec 2023 closed at \$12.4m
- H1 FY24 Gross cash from operations \$4.1m
- \$0.7m one-off costs comprised of \$0.6m in employment redundancies and \$0.1m acquisition-related consulting payments
- Claims paid out \$0.3m
- Other recoveries and other interest \$0.4m
- \$1.0m term deposits from FAM acquisition
- \$7.6m FAM acquisition completed 1 Dec 2023
- \$4.0m NAB bank borrowing
- Dividends paid \$4.0m H1 FY24
- Other \$0.8m consisting of PP&E & intangibles, finance costs and repayment of lease liabilities

FINANCIAL SNAPSHOT

Expense Management	H1 FY22	H1 FY23	H1 FY24
Headcount FTE	105.2	104.5	122.0
Employment Cost Ratio ¹	56%	53%	52%
Professional Fee	\$0.6m	\$0.5m	\$0.4m

Risk Management	H1 FY22	H1 FY23	H1 FY24
ECL to Gross Revenue Ratio	0.10%	0.01%	0.02%
Number of Claims Paid Out	8	7	7
Claims Paid Out	\$0.2m	\$0.1m	\$0.3m

- Headcount increased to 122.0 FTE with incremental 27.2 FTE from FAM acquisition. Excluding FAM acquisition, headcount down to 94.8 FTE in H1 FY24
- Employment cost ratio down to 52% over last two years due to organisational structure changes since ClearView Advice acquisition and further integration efficiencies
- Consistent reduction in professional fees over last two years driven by lower consulting costs and diligent management post ClearView Advice acquisition
- Nominal credit risk

Balance Sheet	H1 FY22	H1 FY23	H1 FY24
Closing Cash	\$11.9m	\$15.4m	\$12.4m
Net Current Assets	\$3.4m	\$7.7m	\$3.3m
Net Tangible Assets	\$4.2m	\$9.0m	\$1.9m
Goodwill & Intangible Assets	\$18.1m	\$17.5m	\$24.3m
Deferred Tax Assets	\$2.4m	\$5.7m	\$8.3m
Loan Payable	-	-	(\$4.0m)

Shareholder Returns	H1 FY22	H1 FY23	H1 FY24
Ordinary Dividend Yield ²	5.9%	6.3%	6.7%
Franking Credits	\$13.8m	\$12.5m	\$10.0m
Earnings Per Share	0.31cps	1.55cps	2.46cps
Annualised ROE ³	5%	18%	16%

- Franking credits of \$10.0m available (pre 1c interim dividend)
- Consistent ordinary dividend yield in the range of 6-7%
- EPS growth and double-digit ROE
- Unrecognised income tax losses available of \$15.8m

Sources: Centrepnt Alliance financial analysis; H1 FY24 financial results.

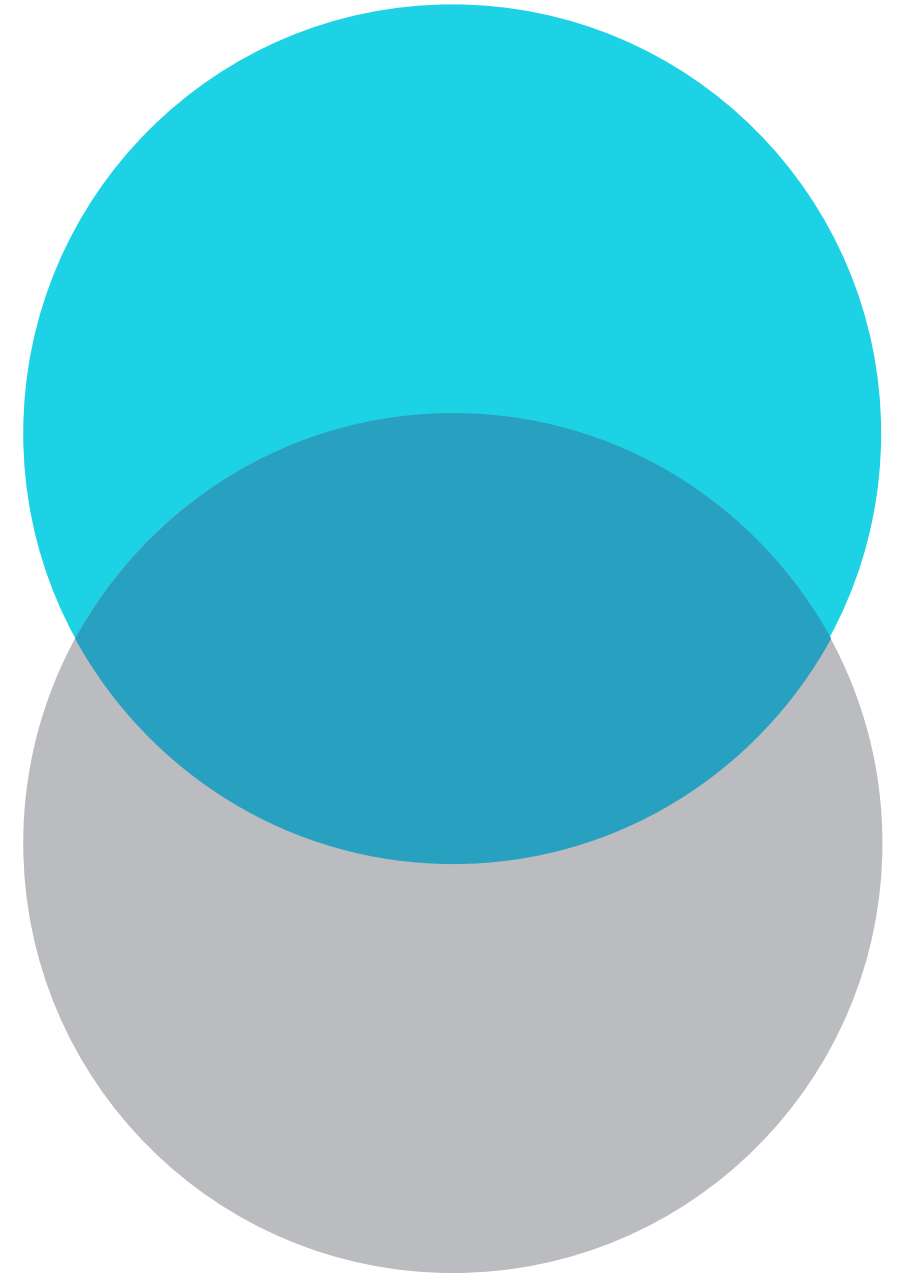
Note: 1 Employment Cost / Gross Profit.

Note: 2 Ordinary Dividend cps / Share Price.

Note: 3 NPBT / Shareholder Funds.

GROWTH STRATEGY

John Shuttleworth, CEO



CENTREPOINT HAS 5 STRATEGIC PILLARS TO DRIVE GROWTH

Our focus is on margin expansion and annuity revenue enabled by the strong distribution network of over 1,300 financial advisers

	1	2	3	4	5
Objective	GROW LICENCED AND SELF-LICENCED ADVISERS	GROW SALARIED ADVISERS	BUILD SCALE IN ASSET MANAGEMENT	LAUNCH PLATFORM	GROW LENDING
Baseline	<p>518 authorised representatives</p> <p>206 self-licenced firms</p> <p>820 advisers</p>	<p>19 advisers post FAM acquisition¹</p>	<p>\$310m managed account FUA</p>	<p>\$975b market²</p> <p>\$67b network FUA³</p> <p>1,338+ advisers</p>	<p>\$3.4b loan book</p> <p>80 brokers</p>
Our focus	<p>Organic + acquisition to maintain scale</p>	<p>Acquire 'corporatised' firms to improve margin</p>	<p>Launch Separately Managed Accounts</p>	<p>Globally leading functionality with market leading pricing</p>	<p>Provide lending services to financial advisers</p>

Note numbers as at 31 December 2023 unless stated

¹ Post acquisition of Financial Advice Matters. Completion 1 December 2023

² Plan for Life – All Master Funds September 2023

³ FUA and value chain revenue are estimated based on internally generated assumptions (1,338 advisers x average funds under advice of \$50m = \$66.9b)

A KEY STRENGTH OF CAF IS THE SIZE OF OUR COMMUNITY AND THE ESTIMATED \$2B+ IN REVENUE GENERATED ACROSS THE VALUE CHAIN WITHIN THE NETWORK

FUNDS UNDER ADVICE

\$67b FUA

518 licenced advisers

820 self-licenced advisers

536 firms

1,338 advisers

~160,000 advised customers

\$50m funds under advice
per adviser

VALUE CHAIN REVENUE

\$464m Advice fees

- Advice fee \$2,900
- 160,000 x \$2,900

\$201m Platform revenue

- Revenue margin 30bps
- \$67b x 30bps

\$330m Asset management

- Adjust \$67b for cash (8%) and equities (10%) = \$55b
- \$55b x 60bps

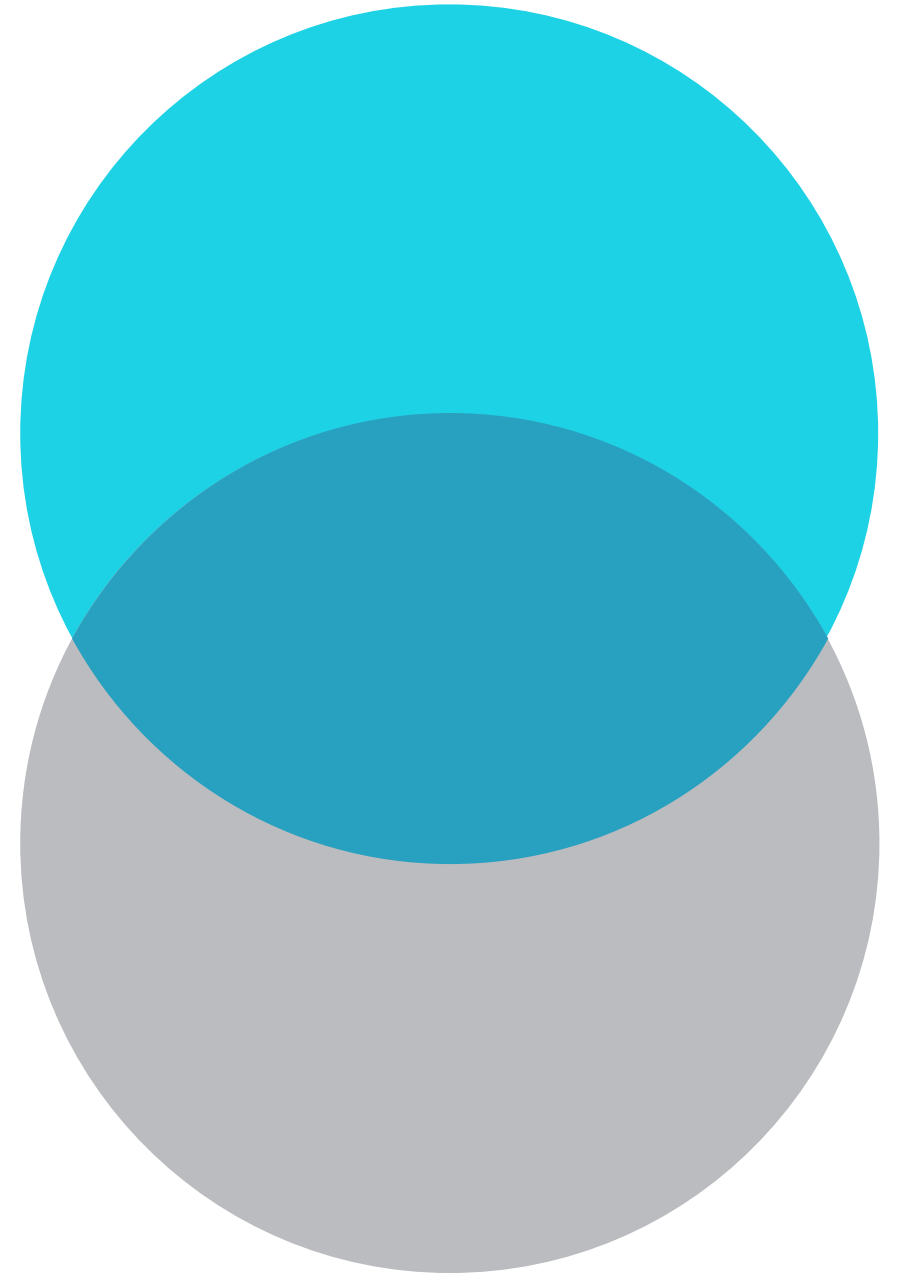
\$1,066m Life insurance

- \$120K commission per adviser
- Total commission \$160m
- Gross up 15% commission

\$49m Home lending

- \$6.5b in annual loans in network
- Upfront 60bps = \$39m plus trail 15bps

GROW SALARIED ADVICE FAM ACQUISITION



ACQUISITION OF FINANCIAL ADVICE MATTERS (FAM)



- Completed transaction on 1 December 2023
- FAM is one of the largest corporatised financial planning groups in Queensland established in current form in 2015
- FAM provides financial planning services to 1,550 household clients
- Funds under advice in excess of \$1 billion
- 8 offices throughout Queensland
- FAM has been a Corporate Authorised Representative of Alliance Wealth since 2015
- The acquisition boosted Centrepoint's salaried advice network to 19 advisers
- Francis Rigby appointed to leadership team as Group Executive Financial Advice

CREATING THE FOUNDATIONS FOR GROWTH

The combined business with 19 advisers has the operating scale and capability to grow the salaried financial planning channel which is one of the most profitable segments in the wealth value chain

CENTREPOINT
ALLIANCE



FINANCIAL ADVICE
MATTERS
Achieving your goals

4
advisers

+

15
advisers

+

Additional
acquisitions

+

Organic growth
new hires

=

Financial advice
infrastructure
and capability for
profitable growth

**High
performing team**

Capability to
manage and
grow an advice
practice

**Quality
advisers**

15 advisers with
relationships
across 1,550
household clients

**Systems and
process**

Core
infrastructure –
advice
processes,
paraplanning

**Client
management**

Ability to attract
and retain quality
clients

**Referral
partners**

Relationships
with key
employers and
industry funds

THE ECONOMICS AND EARNINGS POTENTIAL OF SALARIED ADVICE

CAF has established initial scale and capability to grow a profitable advice business – optimising advice processes, combined with organic and further acquisitions will drive growth

	SALARIED ADVICE CURRENT BUSINESS		CURRENT BUSINESS OPTIMISED	ILLUSTRATIVE GROWTH POTENTIAL¹		
				+ 10 ADVISERS	+ 20 ADVISERS	+ 40 ADVISERS
Revenue	\$8.1m	>	\$12m			
Advisers	19	>	19			
Revenue per adviser	\$425k	>	\$630k			
Clients per adviser	110	>	140			
Operating margin	25%	>	35%			
Contribution	\$2.0m	>	~\$4m			
				Revenue + \$6.3m	+ \$12.6m	+ \$25.2m
				Earnings + \$2.2m	+ \$4.4m	+ \$8.8m

¹ Assumptions are based on an optimised business with revenue per adviser of \$630k, 140 clients and operating margin of 35%

THE CAF NETWORK OF 536 FIRMS WILL CREATE OPPORTUNITIES TO EXPAND AS FIRMS LOOK FOR SUCCESSION

OPPORTUNITY



330 licenced firms
with **518** advisers



206 Self licenced firms
with **820** advisers



WHAT WE LOOK FOR

CORPORATISED PRACTICES

These are businesses who employ salaried advisers

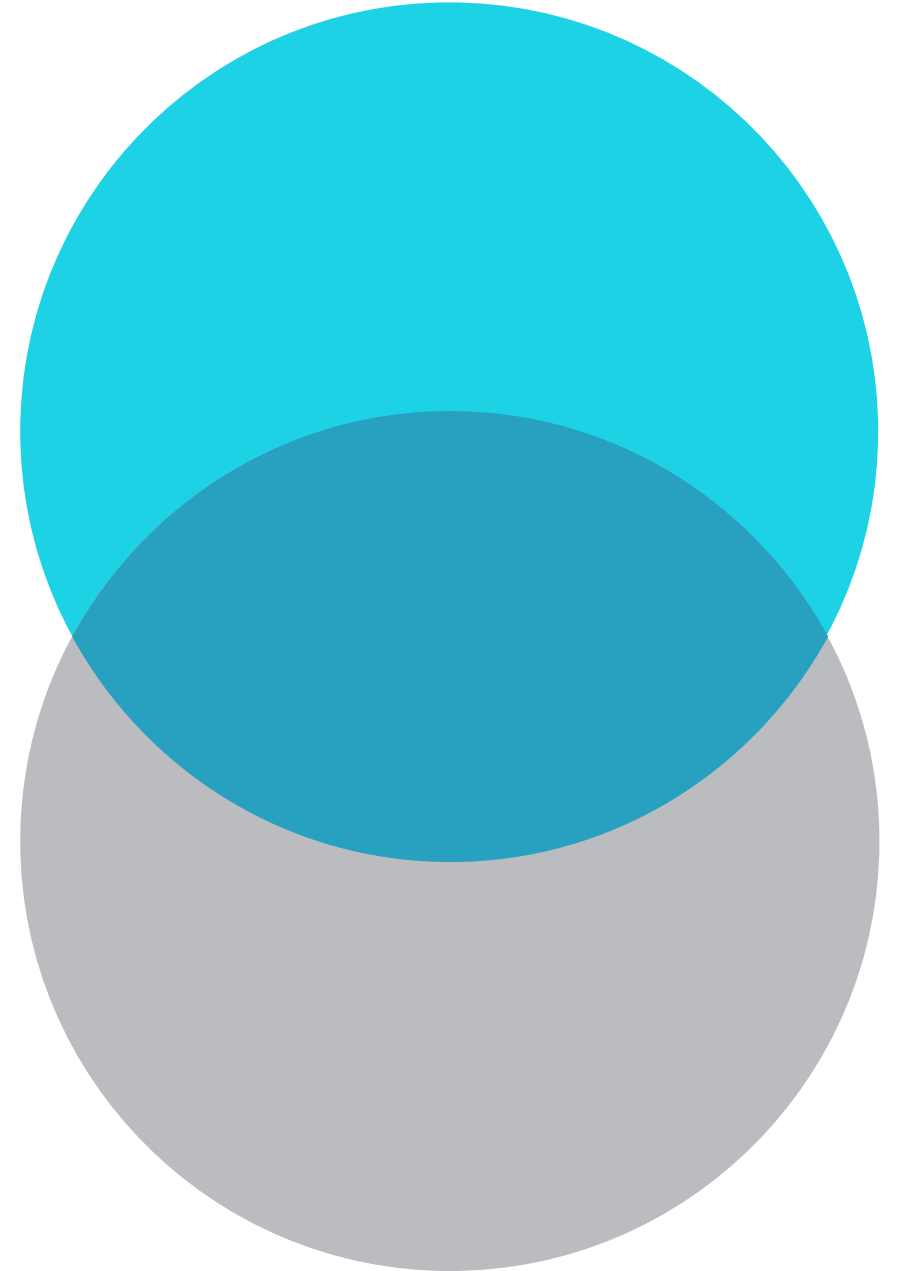
ALIGNED CULTURE AND VALUES

High integrity and always wanting to do the right thing by the customers

GENUINE SUCCESSION

Business owners exiting the industry and transitioning clients to a new home

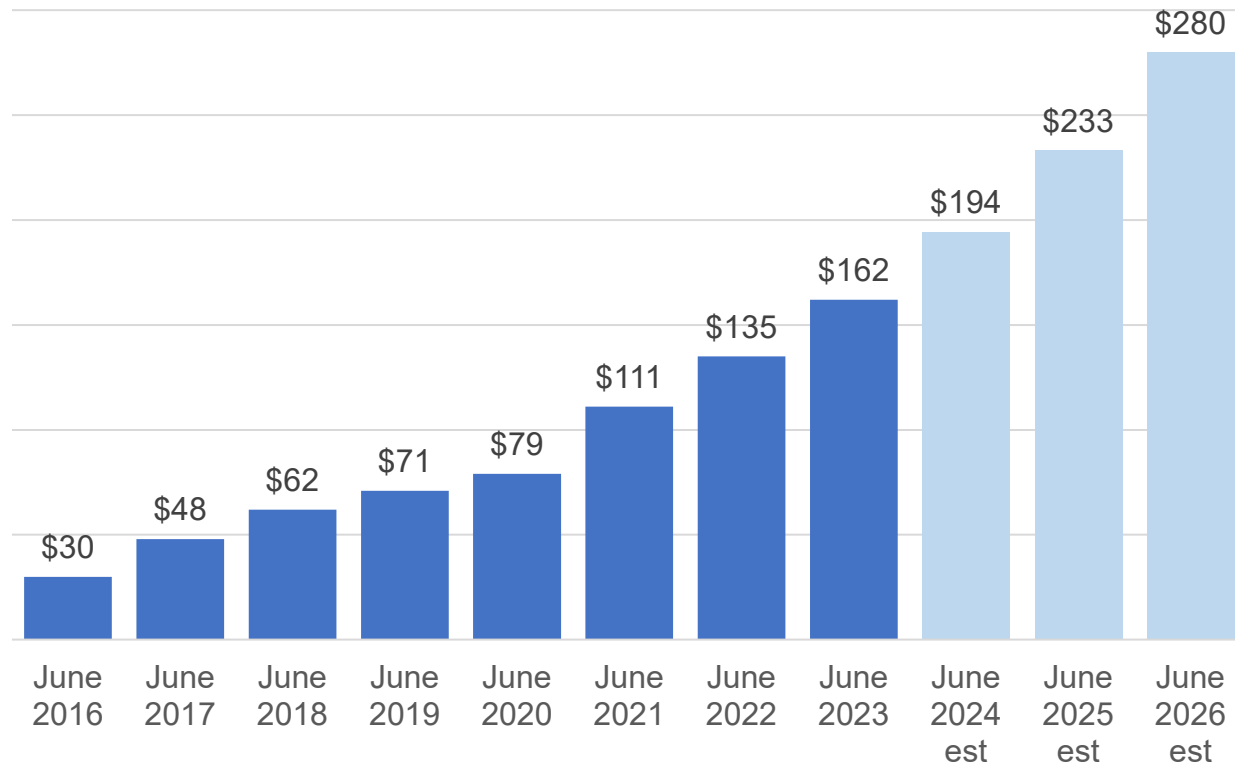
BUILD SCALE IN ASSET MANAGEMENT



ADVISER USE OF MANAGED ACCOUNTS CONTINUES STRONG GROWTH, MARKET ESTIMATED TO REACH \$280B BY 2026

MANAGED ACCOUNT MARKET¹

\$b



DRIVERS OF GROWTH

- Platforms focus on improved functionality
- Increased number of asset consultants and managers offering portfolios
- Portfolio management resources within larger AFSLs such as CPAL
- Better investment outcomes for investors
- Improved practice efficiency in a market of fewer advisers and growing demand
- Articulation of adviser investment beliefs
- Availability of a greater range of listed investments such as ETFs and Active ETFs

¹ Source: Institute of Managed Account Professionals Actual and Estimate as at (IMAP) June 2023

SMAS APPROVED FOR USE

Strong adviser demand has driven expansion of our SMA offering

**Over 28 SMA
managers on
Approved
Product List
with over 175
portfolios
including...**

BlackRock

Vanguard

MORNINGSTAR

Lonsec

**Zenith**
INVESTMENT PARTNERS

An FE fundinfo Company

 **betashares**

invest **sense**

 **ELSTON**

LAUNCHING OUR OWN SUITE OF MANAGED ACCOUNT SOLUTIONS

GROWTH STRATEGY

- Offer a range of managed account structures to cater for various adviser operating models
- Promote efficiencies and client benefits to the network
- Generate revenue through the provision of investment management and responsible entity functions
- Available through VMAPS and FirstChoice
- iQ Portfolios live on Macquarie Wrap December 2023
- Progressive distribution with other platforms

iQ Portfolios

Model name	Potential risk profiles
iQ Portfolios (growth)	G30, G50, G70, G85
iQ Portfolios (income)	D30, D50, D70

Platform distribution and indicative timing: SMAs

- | | |
|----------------------|-------------------------------|
| • Macquarie Manager | <i>Live (December)</i> |
| • IconiQ | <i>Q3 2024</i> |
| • Hub 24 | Pending |
| • Praemium, CFS Edge | Pending |
| • BT Panorama | Pending |

EXPANDING THE RANGE AND FLEXIBILITY OF MANAGED ACCOUNTS SOLUTIONS

A key point of differentiation is our ability to offer flexible SMA structures

1. RETAIL

Selection of existing SMAs

Research house based
Asset consultant based
Investment manager

2. PROPRIETARY

iQ Portfolios

Run by the Ventura Investment team with Morningstar

- Core + satellite
- Income
- Low cost

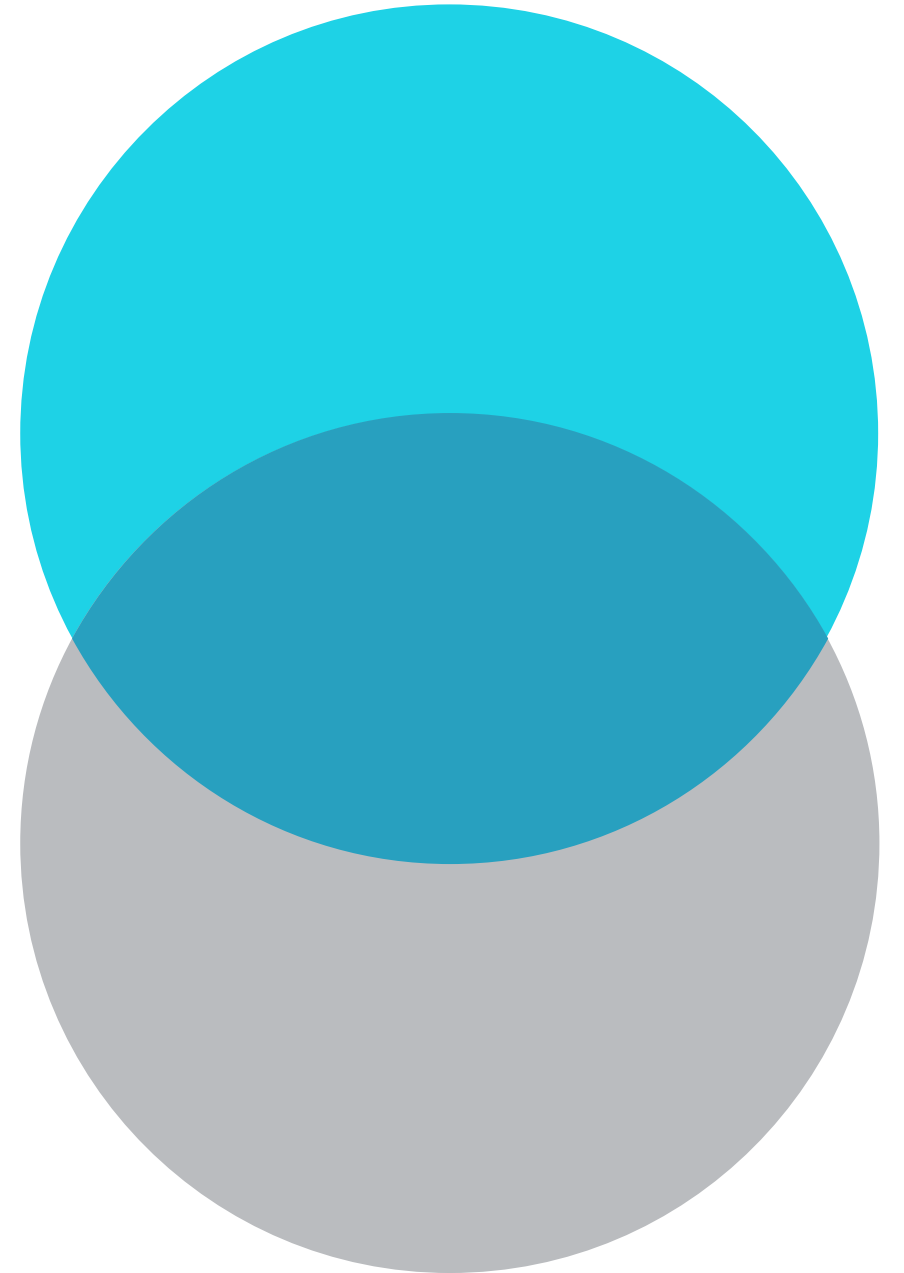
3. BESPOKE

Custom built SMAs using an asset consultant

Using either the Ventura Investment team or an asset consultant from a panel of consultants

Portfolio management Infrastructure to support managed accounts

A NEW PLATFORM



CENTREPOINT IS OPEN ARCHITECTURE

Our commitment is to be an ‘*open architecture*’ licensee providing advisers a choice of platforms and investment managers.

 BT Panorama

 netwealth

 HUB²⁴



 Colonial
First State

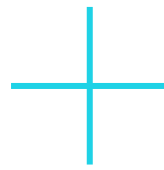


 præmium

 AMP 



FNZ AND CENTREPOINT ALLIANCE PARTNERSHIP



- Global wealth platform
- \$2.1 trillion AUM¹
- 650 implementations
- 30 countries

- \$67 billion funds under advice
- 536 firms
- 1,338 advisers

iconio

Intelligent Portfolio Management

Mr Christopher McDonald
FA1000518 - Individual

Quick Links [Holdings](#) [Deposit Cash](#) [Create Order](#) [Go to the Client Portal](#)

Summary **Holdings** Asset Allocation Performance Transactions

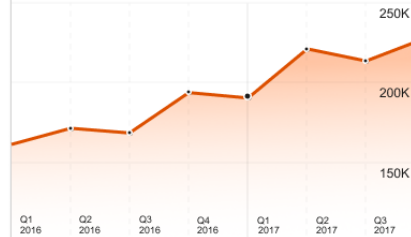
Date: Include External Assets?

Portfolio Value
\$367,754.37

Portfolio name	Valuation
Chris McDonald Individual Portfolio	\$213,559.03
Chris and Lindsay McDonald Joint Portfolio	\$19,003.24
Chris McDonald SMSF Portfolio	\$27,094.34
Chris McDonald Trustee Portfolio	\$78,992.10

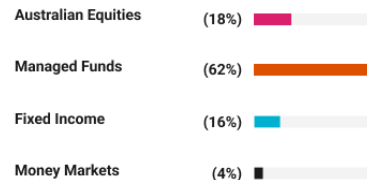
[View Details](#) [Manage Household](#)

Performance Since Inception
▲ 23.54% (\$89,896.01)



Q=Quarter QTD=Quarter To Date
Only active client portfolios are counted above.

Asset Distribution



[View Details](#)

Cash Balance
By Account

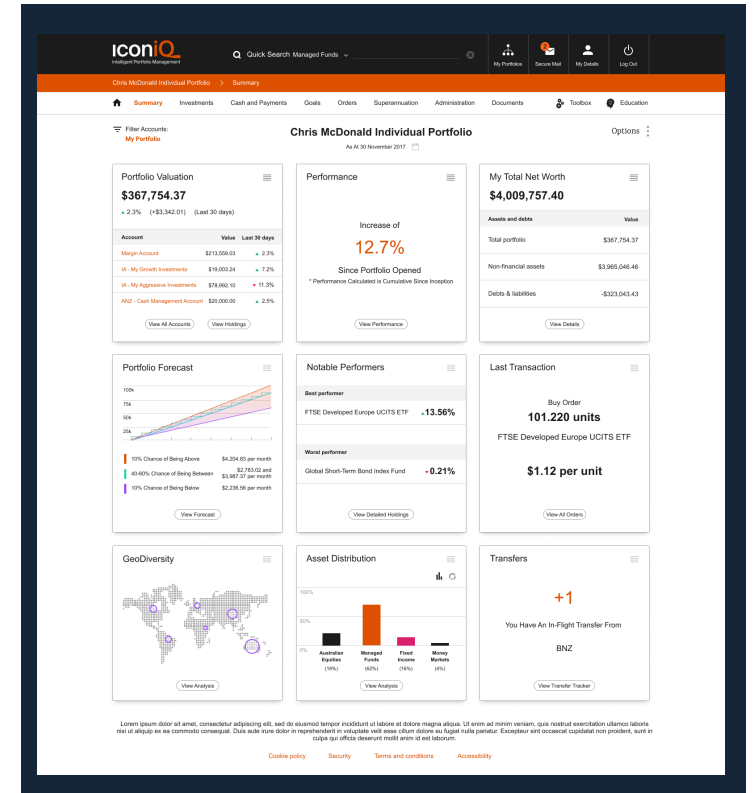
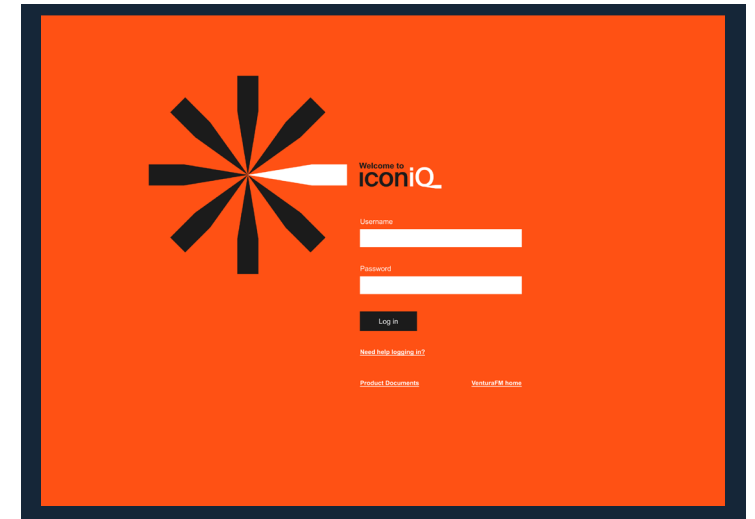
Account name	CCY	Cash balance
Margin Account	AUD	\$213,559.03
IA - My Growth Investments	AUD	\$19,003.24
IA - My Aggressive Investments	AUD	\$27,094.34
MDA	AUD	\$78,992.10
ANZ - Cash Management Account	AUD	\$20,000.00

Largest Holdings

Investment Name	Value
Tyndall Australian Bond Fund	\$302,884.02
Fixed Income Strategy No 2	\$256,993.01
Packer & Co Investigator Trust	\$201,884.94
Woolworths (WOW.XASX.AU)	\$198,094.82
Magellan Global Fund	\$167,033.97

Latest Cash Transactions

Date	Narrative	Amount
18/02/2018	Buy - Tyndall Australian...	\$302,884.02
18/02/2018	Sell - Fixed Income Stra...	\$256,993.01
18/02/2018	Sell - Packer & Co Invest...	\$201,884.94
18/02/2018	Buy - Woolworths (WOW...	\$198,094.82
18/02/2018	Buy - Magellan Global Fu...	\$167,033.97



KEY POINTS

1

**Anticipated
launch Q3
Calendar year
2024**

2

**Competitive
pricing**

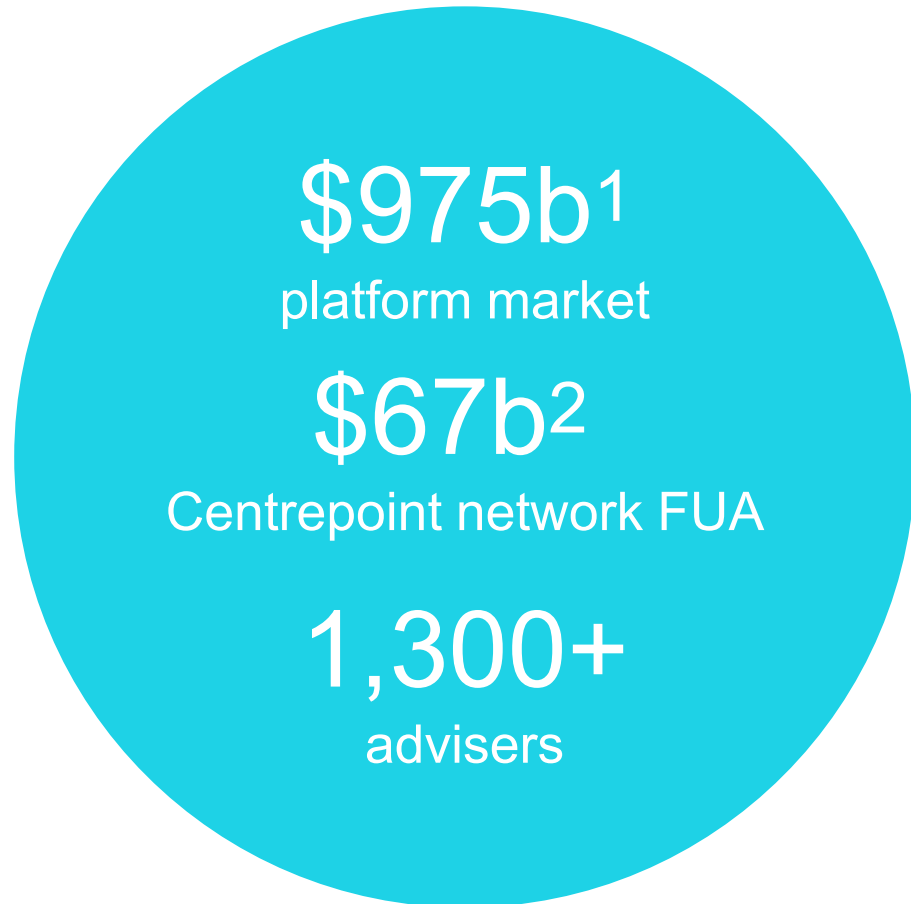
- Low administration fee
- Aggregated household pricing
- Capped fees

3

**Extensive range
of managed
accounts**

MODEST PENETRATION DRIVES SIGNIFICANT FUA

MARKET AND NETWORK POTENTIAL



1% penetration
of CAF network



5% penetration
of CAF network



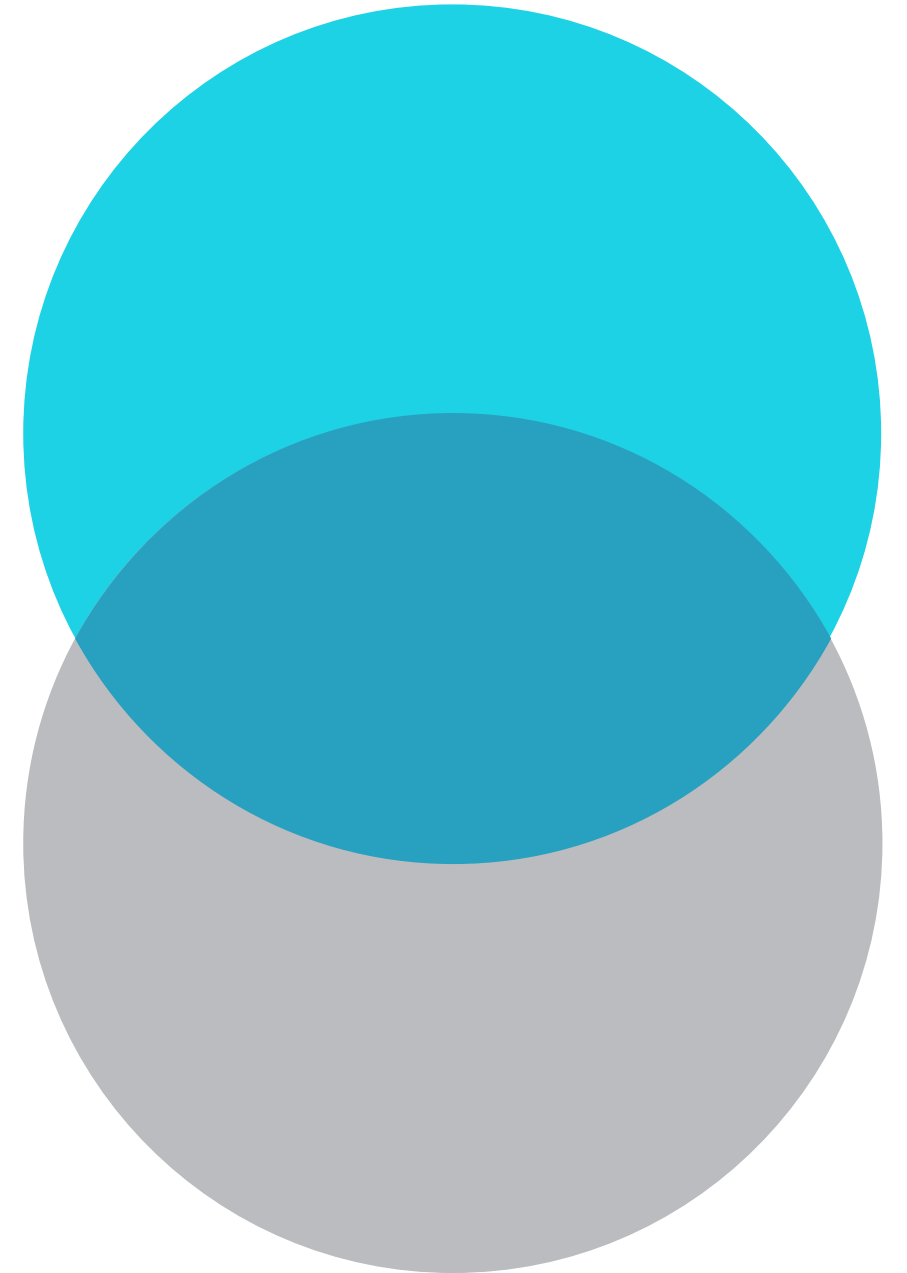
1% share
of platform market



¹ Plan for Life all Masterfunds September 2023

² CAF estimate 1,338 advisers x average funds under advice of \$50m = \$66.9b

OUTLOOK



SUMMARY AND OUTLOOK

**We are
positive about
the market and
our business
momentum**

- Positive conditions for advisers – significant demand for services, positive equity markets, regulatory relief
- Dislocation in the market with is creating opportunities to accelerate recruitment
- Focused team delivering outstanding service to advisers
- Strategic initiatives focused on higher recurring margins
- Earnings upgrade for FY24 in the range of EBITDA \$8m to \$9m

CENTREPOINT
ALLIANCE

APPENDIX



CORPORATE SNAPSHOT

CAPITAL STRUCTURE

ASX stock code	CAF
H1 FY24 gross revenue	\$140.5m
Cash balance as at 31 Dec 2023	\$12.4m
Share price as at 23 Feb 2024	\$0.32
Shares on issue	197.9m
Performance rights (nil ex price, various expiries)	17.7m
Fully diluted shares	215.6m

EXPERIENCED AND INVESTED LEADERSHIP TEAM

Board & Management	Role	Shares held As at 31/01/24
Mr Georg Chmiel	Chairman	0.97m (0.5%)
Mr Martin Pretty	Non-Executive Director	0.18m (0.1%)
Mrs Linda Fox	Non-Executive Director	-
Mr Anthony Vogel (TIGA)	Non-Executive Director	0.03m (0.02%)
Mr Peter Rollason (COG)	Non-Executive Director	-
Mr John Shuttleworth	Chief Executive Officer	0.2m (0.1%)
Mr Brendon Glass	Chief Financial Officer	-
Total Board & KMP		1.4m (0.7%)

TOP SHAREHOLDERS

Investors As at 31/01/2024	Shares held (% of SOI)
Thorney Investment Group	53.4m (27.0%)
COG Financial Services	39.6m (20.0%)
Sage Capital Group Pty. Ltd	12.1m (6.1%)
Alan Crozier	5.6m (2.8%)
Richard Nelson	4.1m (2.1%)
Armytage Private Proprietary Limited	3.7m (1.8%)
Total Top 20	142.1m (71.8%)

CENTREPOINT
ALLIANCE

QUESTIONS

