

ASX Announcement

22 August 2024

FY2024 results ahead of guidance, 1.75 cent final dividend declared

Centrepoint Alliance Limited (ASX: CAF) ("Centrepoint" or "the Company"), a leading provider of advice and business services to financial advice firms throughout Australia, is pleased to provide the Company's Financial Report and Appendix 4E for the year ended 30 June 2024.

Key Messages

- The Company performed well both operationally and financially in FY24. Underlying EBITDA of \$9.1m (excluding LTI and one-off costs) was up 20% from the prior period and ahead of previous guidance of \$8.75m to \$9m.
- Centrepoint continues to lead the market in financial adviser recruitment with 549 authorised representatives at the end of June, an increase of 38 since the start of this financial year. In contrast many other licensee companies continue to see attrition of financial advisers.
- The successful integration of Financial Advice Matters Group ("FAM") which was acquired in December 2023. A continued focus on growth in new client service revenue, combined with operating efficiency improvements when integrated with the Centrepoint Group, has resulted in FAM's earnings contribution exceeding initial expectations.
- The recently launched IQ Managed Portfolios in an SMA structure are now available on the Macquarie and HUB24 platforms, with further platform distribution agreements expected in the near future.
- The new IconiQ platform is due to go live with Investment in October 2024 and Superannuation by the end of the calendar year.
- Estimated EBITDA guidance for FY25 is in the range of \$10m to \$10.5m (excluding LTI and one-off costs).

FY24 Financial Highlights

EBITDA (excluding LTI and one-off costs) of \$9.1m was up 20% (+\$1.5m) from the prior year, mainly due to the successful acquisition of FAM and organic licensee fee growth.

Profit before tax ("PBT"), excluding a one-off asset sale in the prior year of \$1.7m, increased by \$0.7m to \$5.6m.

Net profit after tax increased by \$1.5m to \$7.8m.

Gross revenue across the network of licenced advisers and self-licenced firms increased by 6% to \$288m.

Net revenue to CAF increased by 11% to \$36.1m driven by revenue uplift from the FAM acquisition in December 2023 and organic licensee fee growth, both of which more than offset legacy investment margin run-off.

CENTREPOINT ALLIANCE LIMITED

Level 8, 309 George Street, Sydney NSW 2000

T: 1300 557 598

ABN: 72 052 507 507

W: www.centrepointalliance.com.au

Growth in expenses of 8% (mainly due to FAM), trailed growth in net revenue, such that cost to income ratio improved from 77% to 75% in the current year. One-off costs of \$0.9m consists of \$0.6m employment redundancies and \$0.3m acquisition-related costs.

Net cash as at 30 June 2024 was \$9.0m, comprising \$12.2m of gross cash available less \$3.2m of bank debt associated with the FAM acquisition.

Earnings per share ("EPS") increased to 3.92 cents per share, up 21% compared to the prior year.

On 22 August 2024, the Board declared a final dividend of 1.75 cents per share with a record date of 20 September 2024. The dividend will be paid on 3 October 2024, delivering fully franked FY24 ordinary dividends of 2.75 cents per share (FY23 full-year ordinary dividends of 2.5 cents per share and special dividend of 0.5 cents per share).

FY24 Operational Highlights

Centrepont's licensee services business has continued the momentum established over the last three years and is a preferred destination of advisers with the highest net growth in the market. Licenced advisers finished the year at 549 authorised representatives which was an increase of 38 on prior year and was double the growth of the nearest competitor. Of the top 10 licensee firms in Australia, only 3 had net growth with 7 of the top 10 firms losing over 300 advisers collectively. Centrepont's self-licenced business finished the year with 203 firms (825 advisers) which represented growth of 22 new firms over the year.

The successful acquisition and completed integration of FAM following on from the acquisition of ClearView Advice, showcases Centrepont's successful move into the higher margin salaried adviser market. FAM is one of the largest corporatised financial planning businesses in Queensland. Post the acquisition, Centrepont has 19 salaried advisers supporting over 2,100 household clients.

The lending aggregation business provides services to 80 brokers with a loan book of \$3.5 billion and has performed well in a market characterised by high interest rates and tighter lending standards from lenders, creating challenges for customers seeking finance. A new offer, Lending as a Service, was launched 18 months ago and has continued to grow with 44 advice firms using the service and over 200 loans completed.

The development of the new IconiQ investment platform in partnership with FNZ, a global leader in platform administration services, has progressed and is on track for market launch in October 2024 and superannuation by the end of the calendar year. The IconiQ platform provides advisers with a platform solution comprising a broad range of investments at a very competitive price.

FY25 Outlook

The Company is well positioned to continue to grow revenue and earnings. CAF continues to recruit advisers and is benefiting from industry consolidation. New initiatives such as Managed Accounts and Lending as a Service are gaining traction and the IconiQ platform will shortly be launched. Estimated EBITDA guidance for FY25 is in the range of \$10m to \$10.5m (excluding LTI and one-off costs).

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

CENTREPOINT ALLIANCE LIMITED

Level 8, 309 George Street, Sydney NSW 2000

T: 1300 557 598

ABN: 72 052 507 507

W: www.centrepointalliance.com.au

For further information, please contact:

John Shuttleworth, Chief Executive Officer
Centrepont Alliance Limited

Ph: +61 (0) 419 746 625

E: John.Shuttleworth@cpal.com.au

Brendon Glass, Chief Financial Officer
Centrepont Alliance Limited

Ph: +61 2 8987 3037

E: Brendon.Glass@cpal.com.au

Greg Slade, Investor Relations
Slade Investor Relations

Ph: +61 (0) 488 917 882

E: greg@sladeir.com

About Centrepont Alliance

Centrepont Alliance (ASX: CAF) offers a range of services to financial advice firms throughout Australia. The company operates five core business lines: Licensee Services, Financial Advice, Investments, Platforms and Lending.

Licensee Services provides services to licenced and self-licenced advisers, consisting of licencing options, practice management, compliance, research, education and technology. Financial Advice is an in-house network of financial advisers, who provide personalised and holistic advice to clients. Investment Solutions source high quality underlying investments and construct diversified managed account portfolios. Platform Solutions provides portfolio administration services for investment and superannuation. Lending Solutions supports brokers and advisers with a credit licence, technology, lending panel, training and education.

CENTREPOINT ALLIANCE LIMITED

Level 8, 309 George Street, Sydney NSW 2000

T: 1300 557 598

ABN: 72 052 507 507

W: www.centrepontalliance.com.au