

Office Level 17, 1 Margaret Street, Sydney NSW 2000
Postal GPO Box 1453, Sydney NSW 2001
www countplus.com.au
ABN 11 126 990 832

T (02) 8488 4500
E info@countplus.com.au



COUNTPLUS RELEASES 2019 FINANCIAL YEAR RESULTS

The Directors of CountPlus Limited (CUP) have today reported to the ASX:

- **Average firm profit margin of 20% in 2019, compared with 15% in 2018 and 12% in 2017.**
- **Adjusted net profit after tax of \$5M in 2019, compared with \$3.76M in 2018, up 33%.**
- **Dividend of 1 cent per share. Total dividends of 2 cents for FY19.**
- **Net cash position of \$8.5 million.**

The two-year transformation of the CountPlus business is now complete, and the business is positioned to focus on growth.

Financial improvement

CountPlus posted an adjusted net profit after tax (NPAT) of \$5.002 million for the year ended 30 June 2019, which is a 33% increase from the \$3.764 million for the year ended 30 June 2018. Adjusted earnings per share also increased by 34% to 3.33 cents, from 2.48 cents.

Reduced lock-up

A clear plan, management discipline, an overhaul of processes and implementation of new systems has reduced our average lock-up to 82 days as at 30 June 2019. This is down from 94 days at 30 June 2018 and 97 days at 30 June 2017.

Increasing employee value

Our focus in helping our advisers grow their businesses has led to an increase in revenue per full-time employee to \$196,000, up from \$182,000 in 2018 and \$177,000 in 2017. Employee costs as a percentage of revenue have fallen to 61% in 2019, from 66% in 2018 and 68% in 2017 respectively.

Dividend growth

CountPlus has declared a final fully franked dividend 1.0 cent per share for the financial year ended 30 June 2019. This brings the total fully franked dividends declared for the year to 2.0 cents per share.

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Count Financial acquisition

On 6 August 2019, CountPlus shareholders voiced their support for the acquisition of Count Financial from the Commonwealth Bank, with a shareholder vote of 99.79% in favour. The transaction has been completed for a fee of \$2.5 million and the business is expected to turn a profit in its first year.

“We have completed our two-year turnaround project that has instilled our core values of Firms, People, Focus, Financial, and Community across our network. We will continue to focus on making a decent profit, decently,” CountPlus CEO Matthew Rowe said.

“Our objective is to make the CountPlus business the leading network of professional accounting and advice firms in Australia, and we have developed a 100-day plan to integrate Count Financial into CountPlus following its return to its CountPlus home. We will ensure that all member firms fit in with the CountPlus family photograph,” Rowe said.

The CountPlus 4E Preliminary Final Financial report, a letter to shareholders detailing the operational and strategic initiatives being driven by the Company and a detailed overview on the Company financials, can be found on our company website: <https://www.countplus.com.au/shareholder-centre/asx-announcements/>.

See below to arrange an interview with CountPlus CEO Matthew Rowe.

...ENDS...

All media enquiries:

Keith Barrett
Reverb Media
M 0415 751 100
E keith@reverb-media.com.au

About the Owner-Driver, Partner Model

CountPlus has shifted from a model of 100% ownership of firms acquired, and moved to the ‘Owner-Driver, Partner’ model. The ‘Owner-Driver, Partner’ allows the individual firm principals to own and drive their firms without loss of identity, while partnering with CountPlus using agreed team rules, shared processes and controls,

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improved funding and economies of scale, all of which provides security within a competitive market.

CountPlus partners with selected accounting and advice firms to amplify their success without loss of ownership, drive, identity or control. This partnership allows firms to better meet current and future challenges by providing strategic support, funding capital, scalable benefits and succession planning, as well as access to a professional community who want to protect and grow what they have worked hard to create.

With CountPlus, firms gain a partner working with them to succeed, not an owner seeking to control every facet of the business. This 'best of both worlds' approach, grounds firms with a strong notion of perpetuity and custodianship, as well as a renewed strength to overcome the of myriad challenges that operating and growing a successful practice brings.