



MASTERCLASS

John Shuttleworth, CEO

March 2023



AGENDA

FY23 H1 Results

Changing industry structure

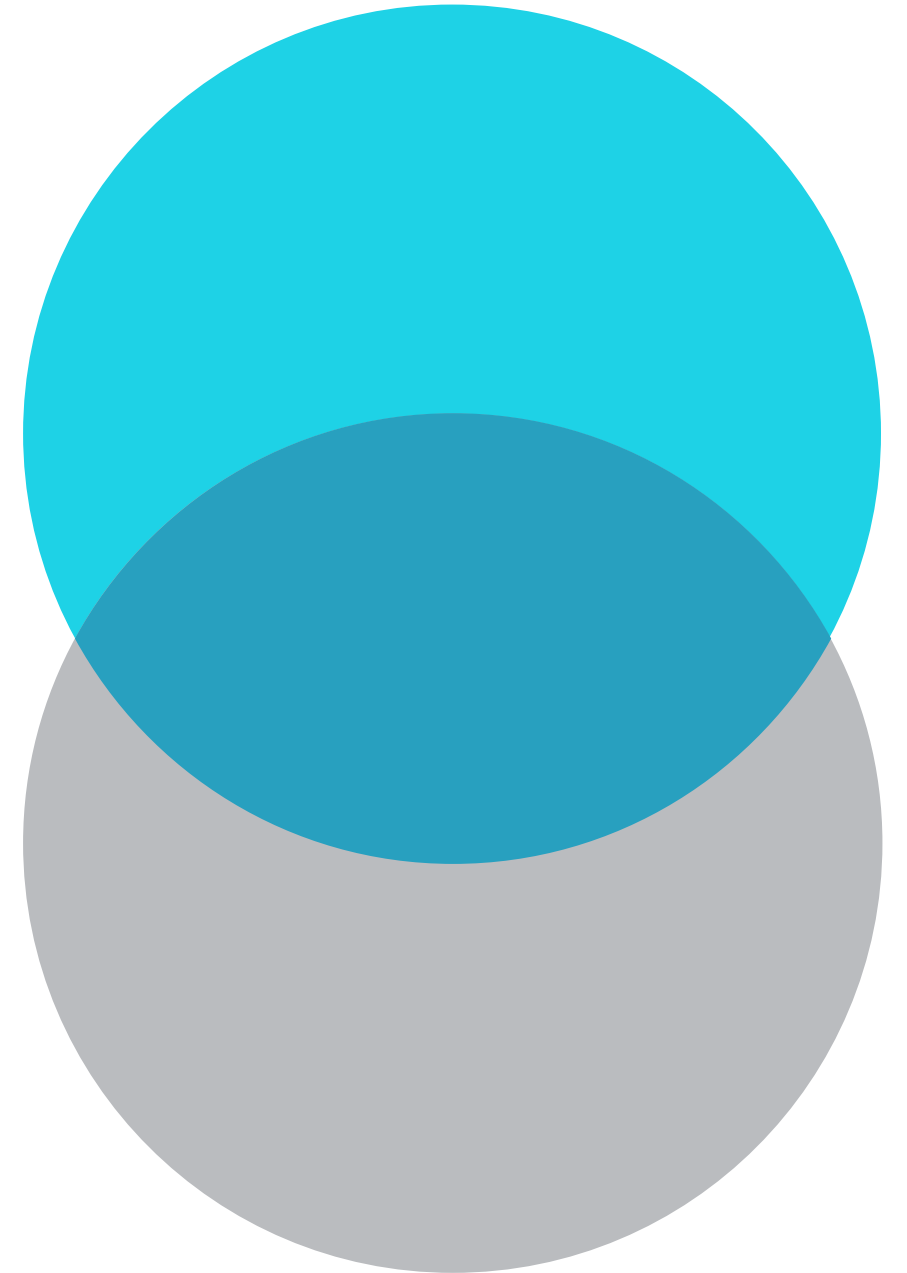
Regulatory update

Adviser / practice benchmarking

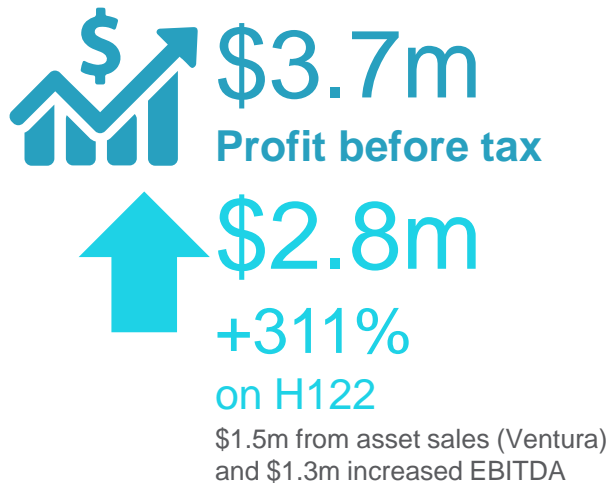
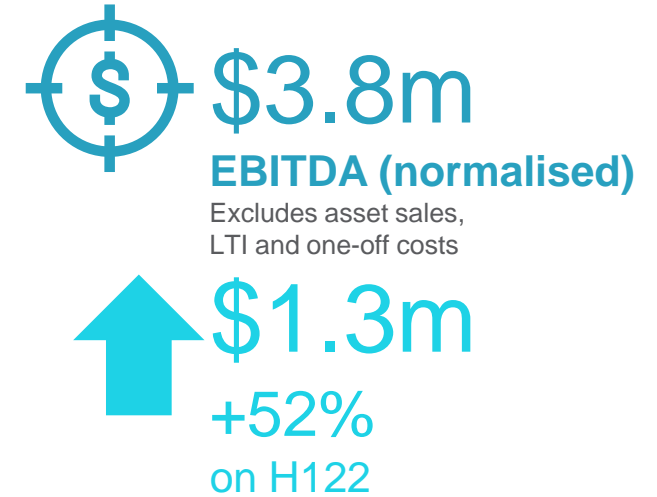
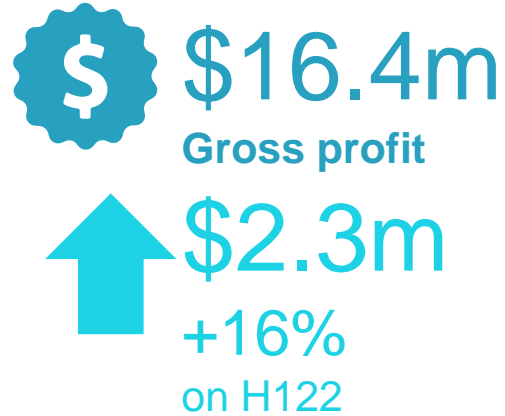
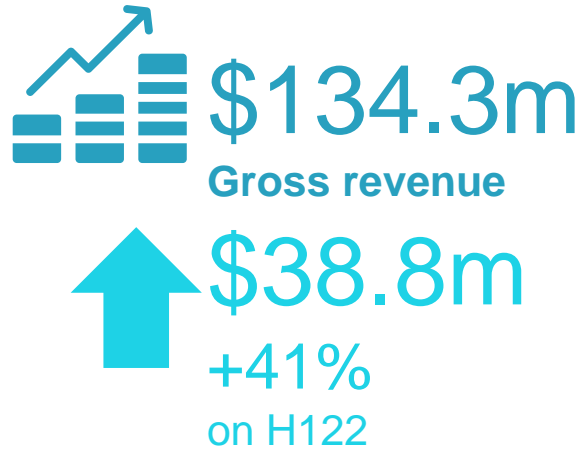
Business focus for FY23

Net promotor score

BUSINESS RESULTS



Snapshot of H1 FY23 results



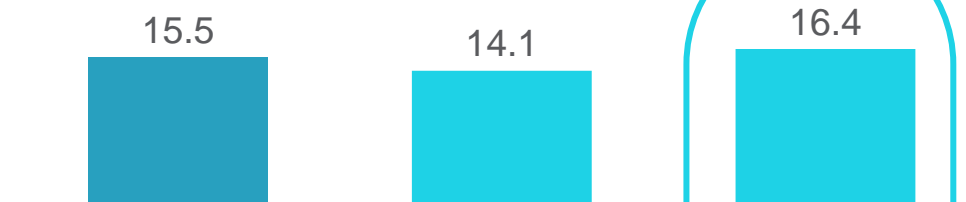
1. Distribution from Ventura sale

Our focus over the last 14 months has resulted in improvements in key financial metrics

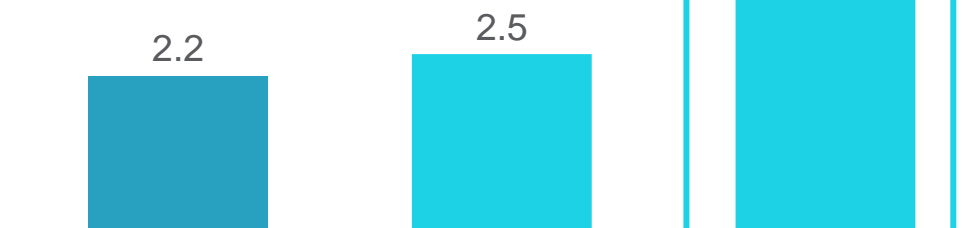
PRIORITIES OVER LAST 14 MONTHS

1. Consistent operating model
2. Uniform licensee pricing
3. Service level improvement
4. Increasing adviser satisfaction
5. Adviser retention
6. Margin and expense management

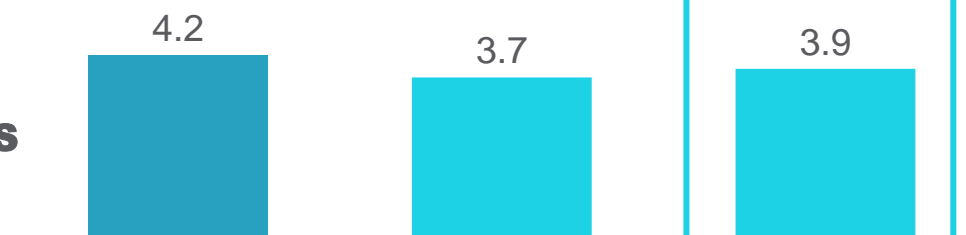
GROSS PROFIT
\$m



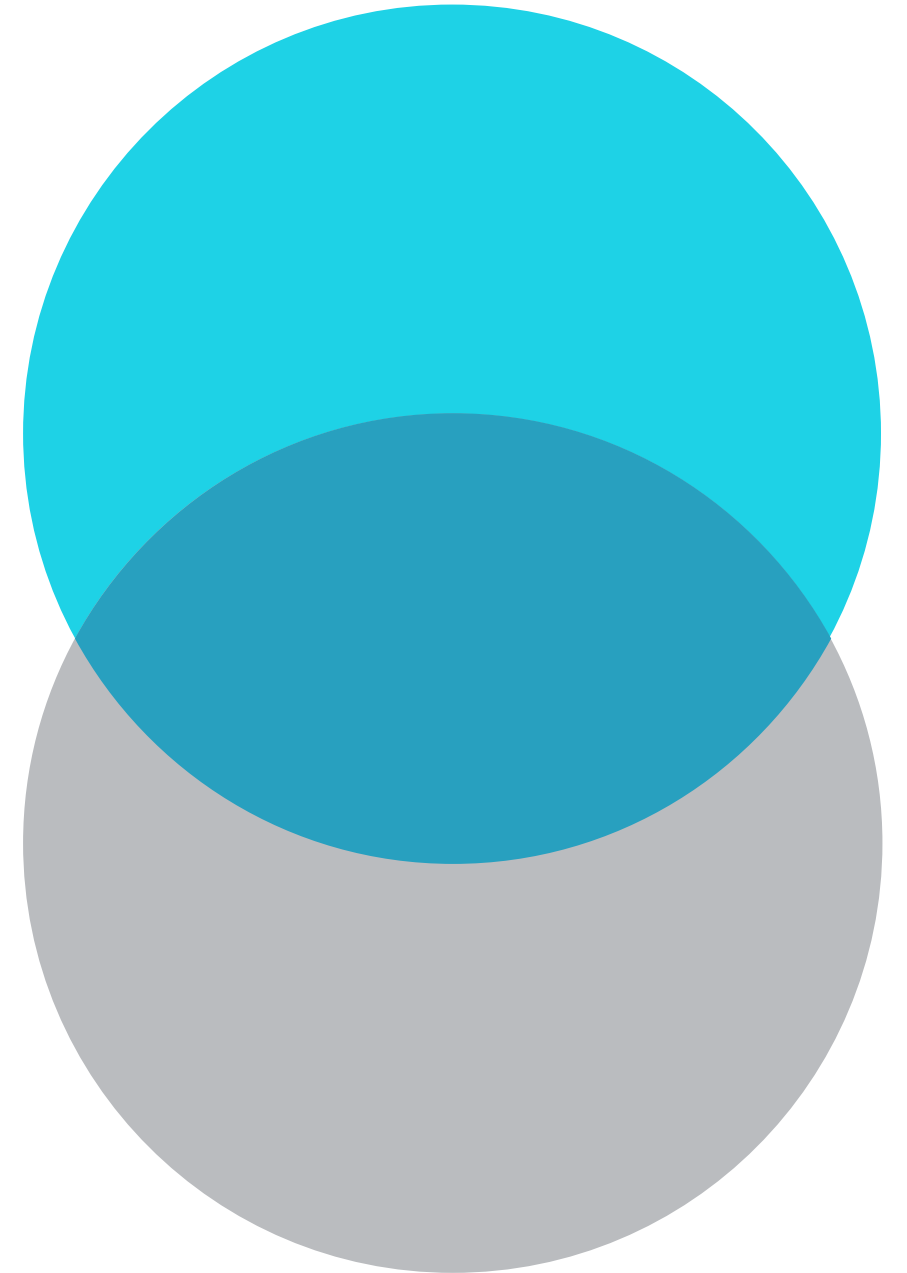
EBITDA¹
\$m



TOTAL OVERHEADS
\$m

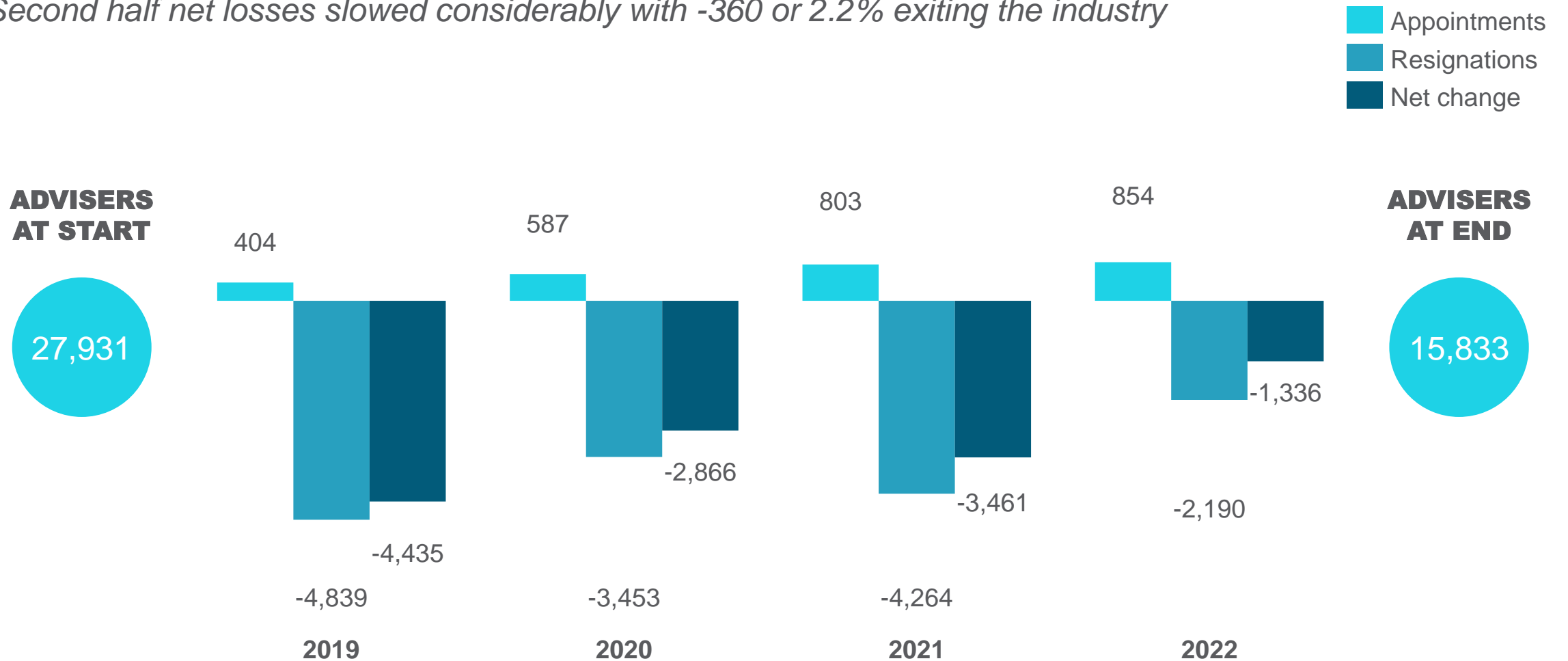


INDUSTRY STRUCTURE













Declines in the advice market are bottoming out as appointments increase and resignations slow

Second half net losses slowed considerably with -360 or 2.2% exiting the industry



Centrepoint has performed strongly over the last two years relative to peers and is now the number 3 licensee in the market based on adviser rankings

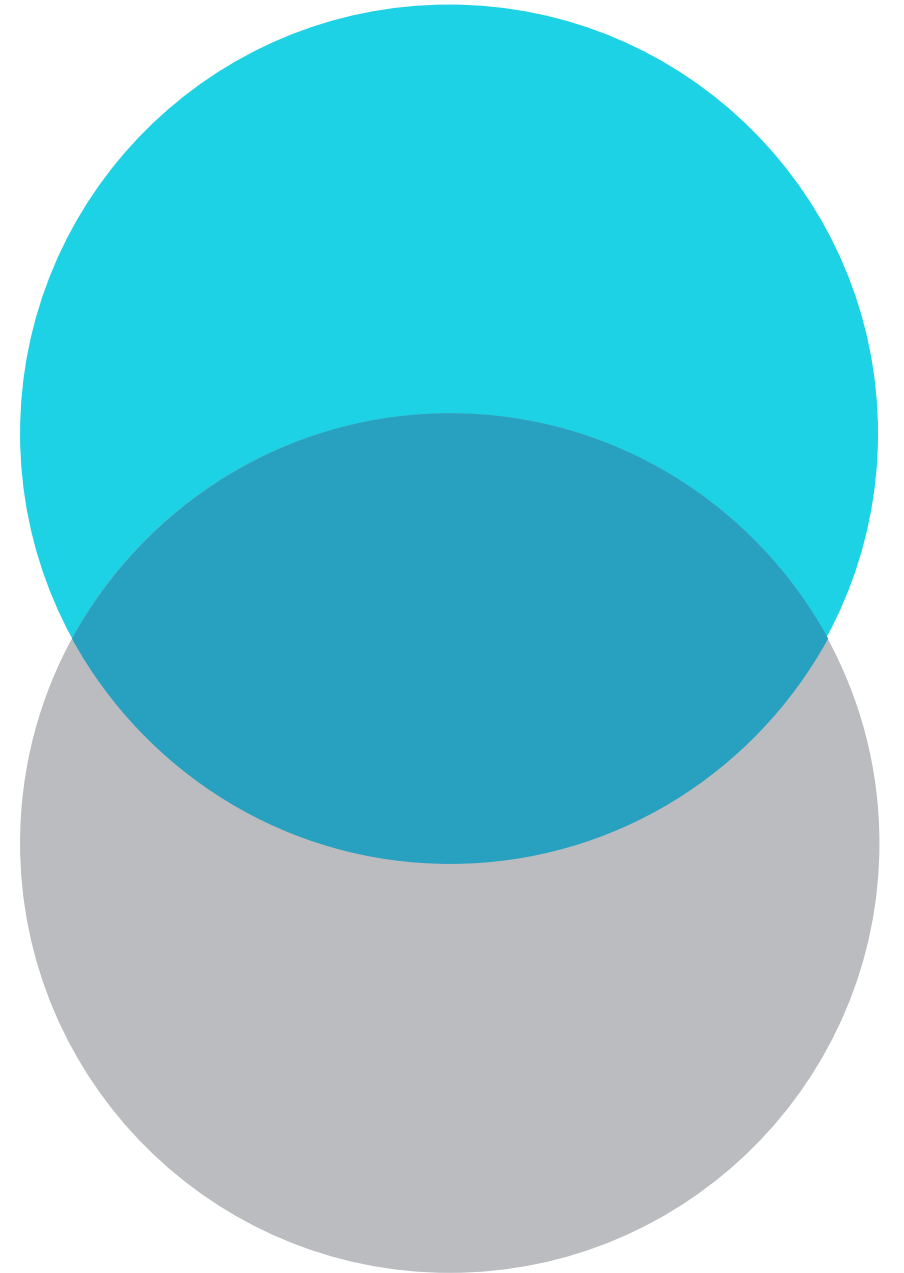
Changes in advisers numbers by Licensee 1/1/2021 to 31/12/2022

Rank	Licensee Group	Number of ARs*	Appointments	Resignations	Net change
1	 Insignia Financial	1,073	198	941	-743
2	 AMP	931	148	722	-574
3	 CENTREPOINT ALLIANCE	514	199	183	16
4	 wealthtoday	468	103	377	-274
5	 diverger	402	85	335	-250
6	 sequoia HEALTH MANAGEMENT	317	103	175	-72
7	 CountPlus	280	148	107	41
8	 Lifespan FINANCIAL PLANNING	257	91	102	-11
9	 Capstone FINANCIAL PLANNING	257	77	81	-4
10	 FORTNUM™	223	82	77	5

* Authorised Representatives

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

REGULATORY UPDATE

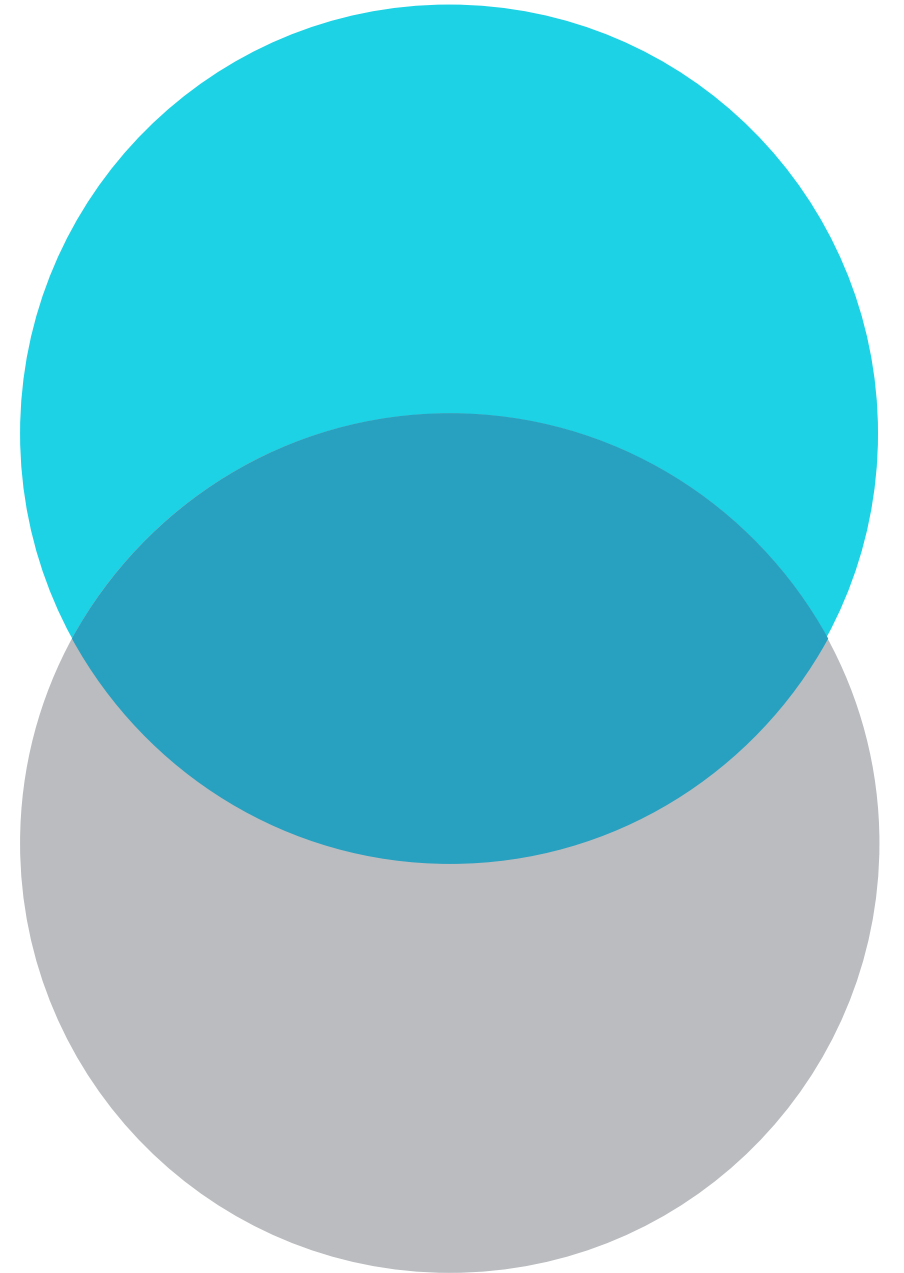


Quality of advice review

Five consumer advocacy groups (Choice, Super Consumers Australia, Financial Counselling Australia, the Consumer Action Law Centre and the Financial Rights Legal Centre) commented on QAR

- Removal of the prescriptive steps of best interest duty replace with general principled based BID
- Simplify and retain statements of advice.
“support reforms to facilitate the provision of shorter, more meaningful information by advisers to their clients.”
- ‘Good Advice’ duty is “vague and poorly defined”
- “Strongly oppose” the proposed weakening of consumer protection in relation to advice provided by employees of “non-relevant providers” – namely insurers, super funds and banks.

PRACTICE BENCHMARKING

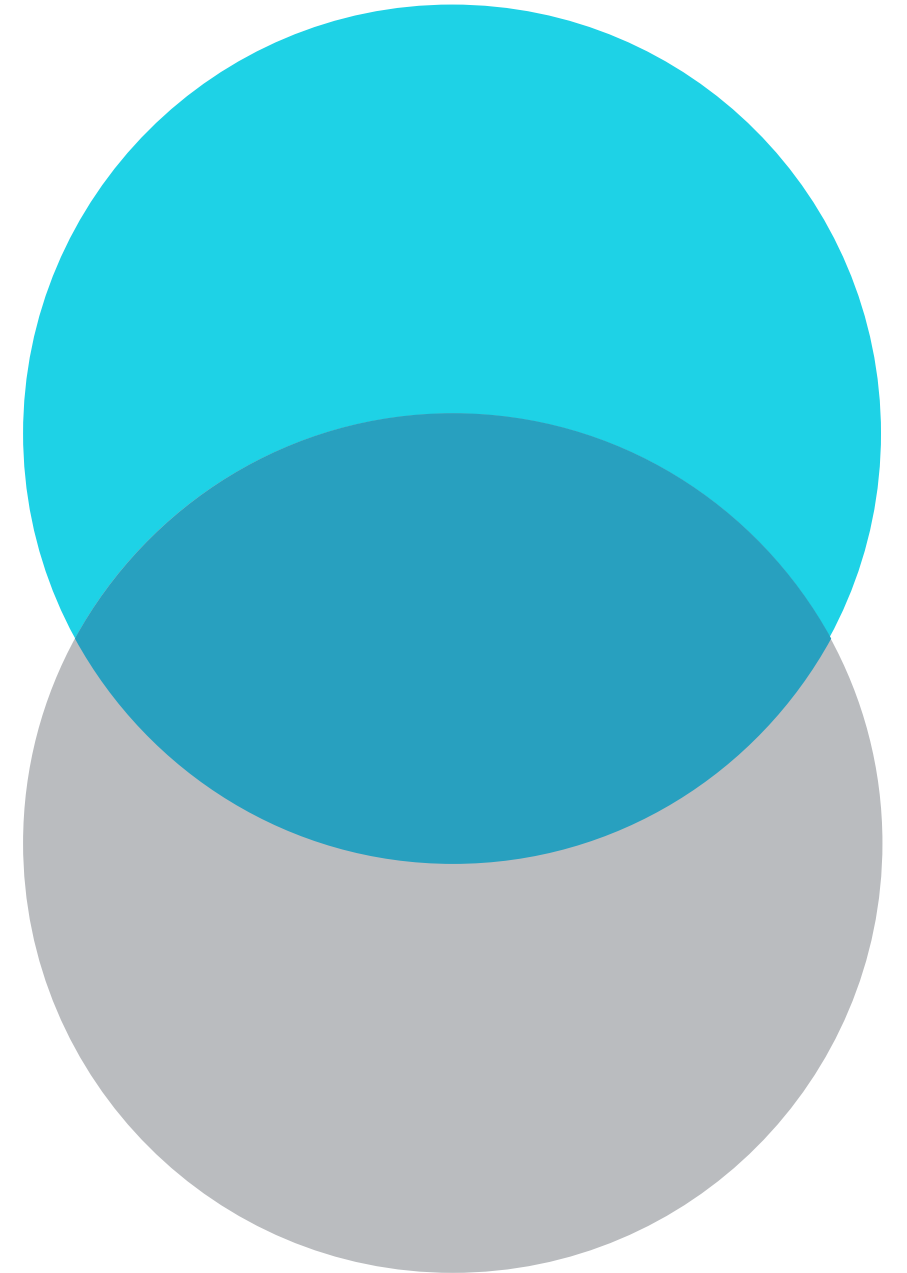


Practice Benchmarking

Firms with higher revenue have a greater number of clients and higher proportion of risk commission. Ongoing advice fees are remarkably similar.

Number of firms	210			68			22	
Authorised Reps per firm	1			2			3	
	Average	Top 10%		Average	Top 10%		Average	Top 10%
Total Revenue by Firm	\$ 433,216	\$ 1,121,565		\$ 710,414	\$ 1,419,466		\$ 1,381,132	\$ 2,609,342
Revenue per AR	\$ 433,216	\$ 1,121,565		\$ 355,207	\$ 709,733		\$ 460,377	\$ 869,781
Fee Revenue by Firm	\$ 295,615	\$ 767,887		\$ 560,455	\$ 1,136,781		\$ 1,069,878	\$ 1,542,591
Risk Revenue by Firm	\$ 137,600	\$ 353,678		\$ 149,960	\$ 282,685		\$ 311,254	\$ 1,066,751
Avg Fees per Fee Paying Client	\$ 2,309	\$ 2,756		\$ 2,628	\$ 2,775		\$ 2,462	\$ 3,398
Fee paying clients per AR	128	279		107	205		145	151
Total Fee Paying Clients	128	279		213	410		435	454
Fee %	68%	68%		79%	80%		77%	59%
Risk Commission %	32%	32%		21%	20%		23%	41%

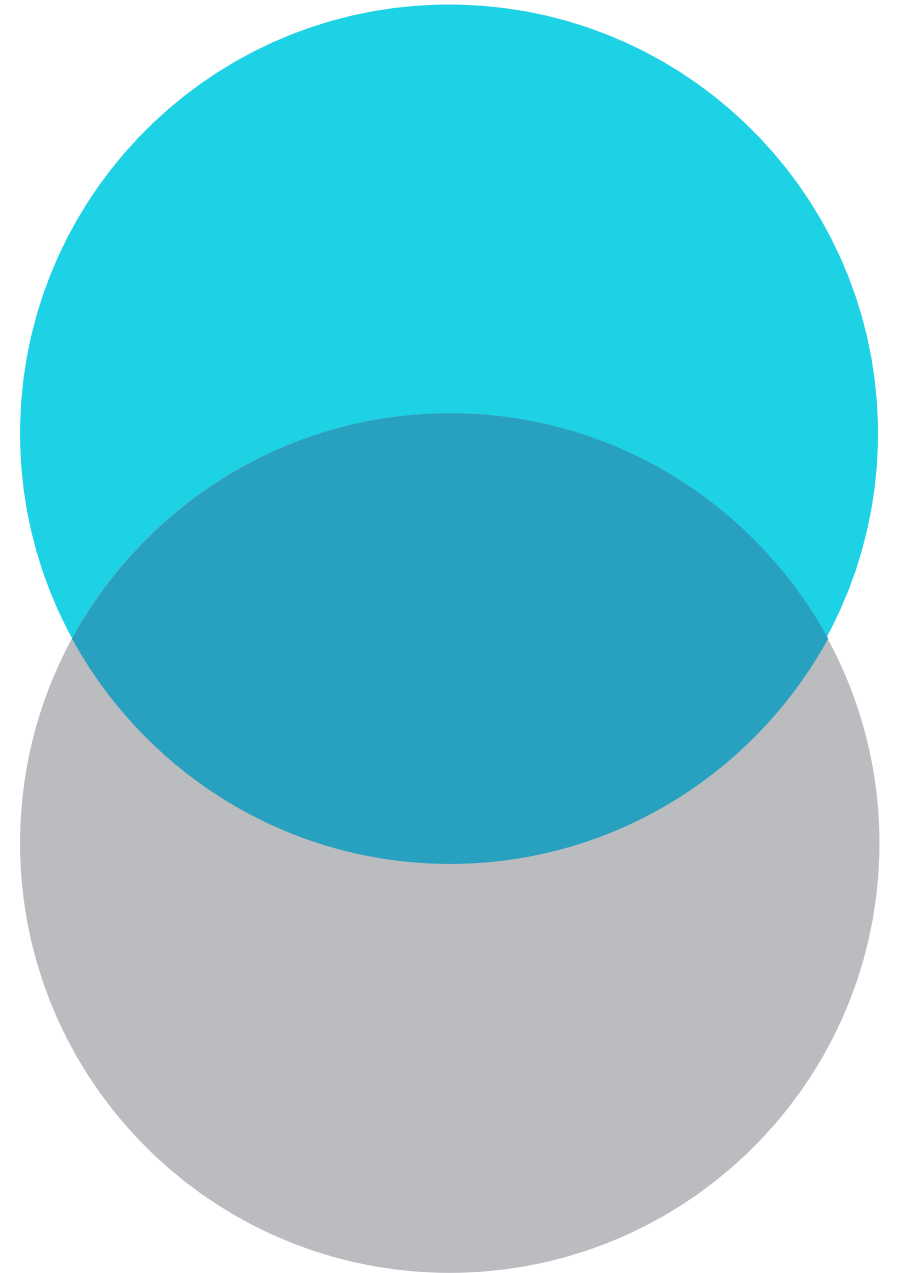
FOCUS AREAS FY23



With integration complete our focus is on service quality and development

	1	2	3	4
Objective	IMPROVE SERVICE QUALITY	ENHANCE ADVICE TECHNOLOGY	INVESTMENT MANAGEMENT / RESEARCH	ADVISER CLOUD
Our focus	<ul style="list-style-type: none">• Queries tracked on Salesforce• NPS Feedback• Continuous improvement program• New services development	<ul style="list-style-type: none">• Adviser Technology Forum - 15th March• Continuous improvement of software, tools and templates• Reviewing providing an alternative to Xplan• API plug ins for 3rd party apps i.e. Umlaut, advice revolution	<ul style="list-style-type: none">• Digital APL• Model portfolios / SMA• First Choice models launched April• Launch an MDA service• Develop and launch a wholesale investment service	<ul style="list-style-type: none">• 'Everything you need to run an advice business in the Cloud'• Supporting licenced and self licenced practices• Improved user experience• Compliance services• Market place• Online communities

NET PROMOTOR SCORE



Net Promotor Score / voice of the customer

Q1. On a scale of 1 to 10 how likely are you to recommend Centrepoint Alliance for Licensee Services?

Q2. Why do you say that?



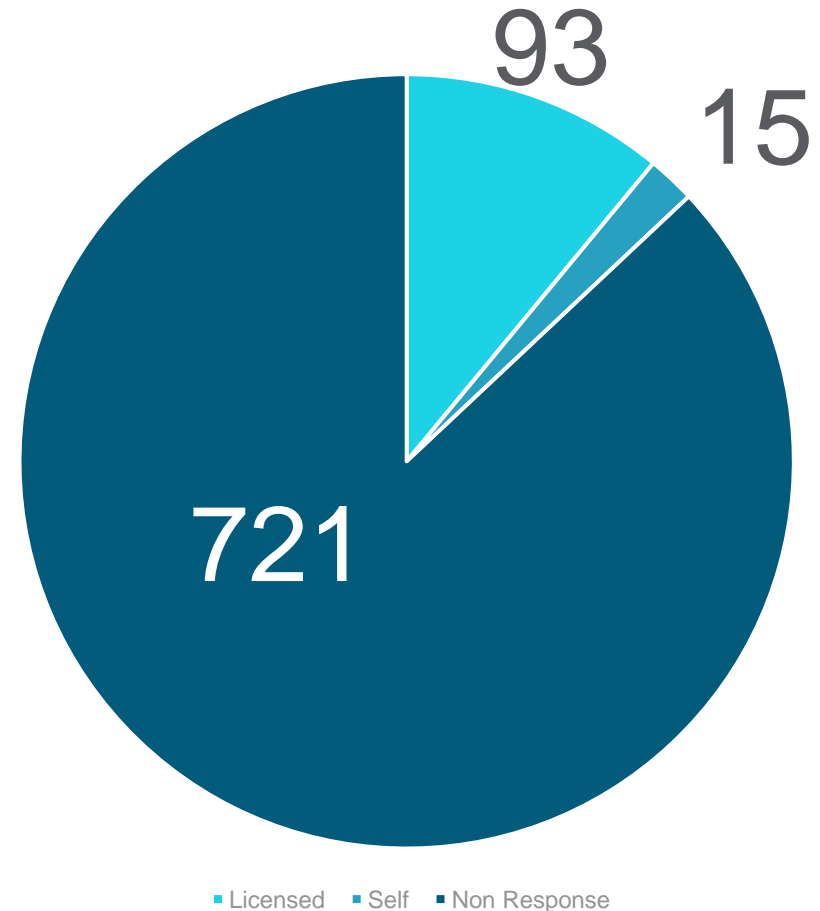
Response rates

829 – The total number of contacts that the survey was sent to

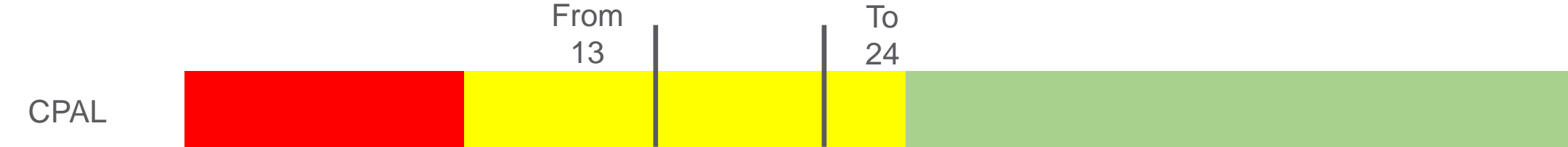
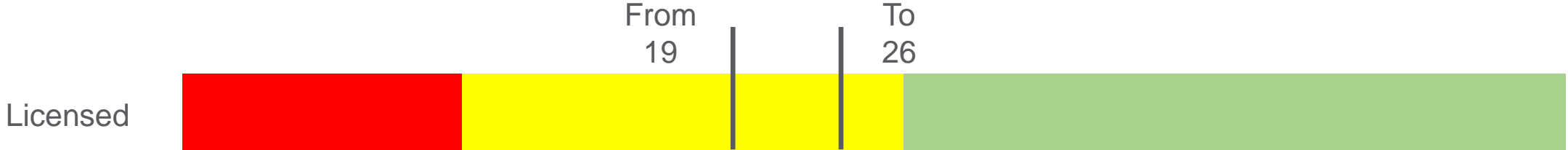
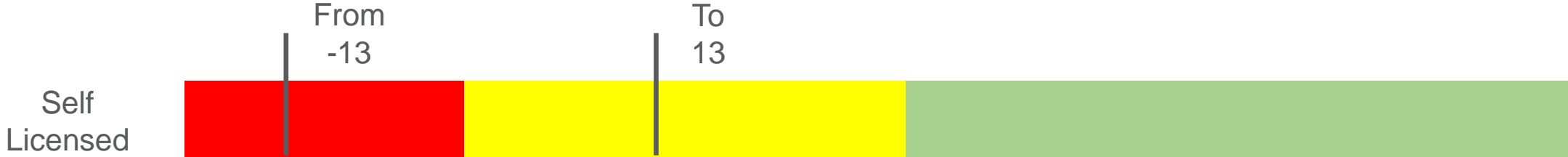
108 – The total number of responses received (13%)

15% of Licensed contacts (93 out of 604) and 7% of Self Licensed contacts (15 out of 225) responded.

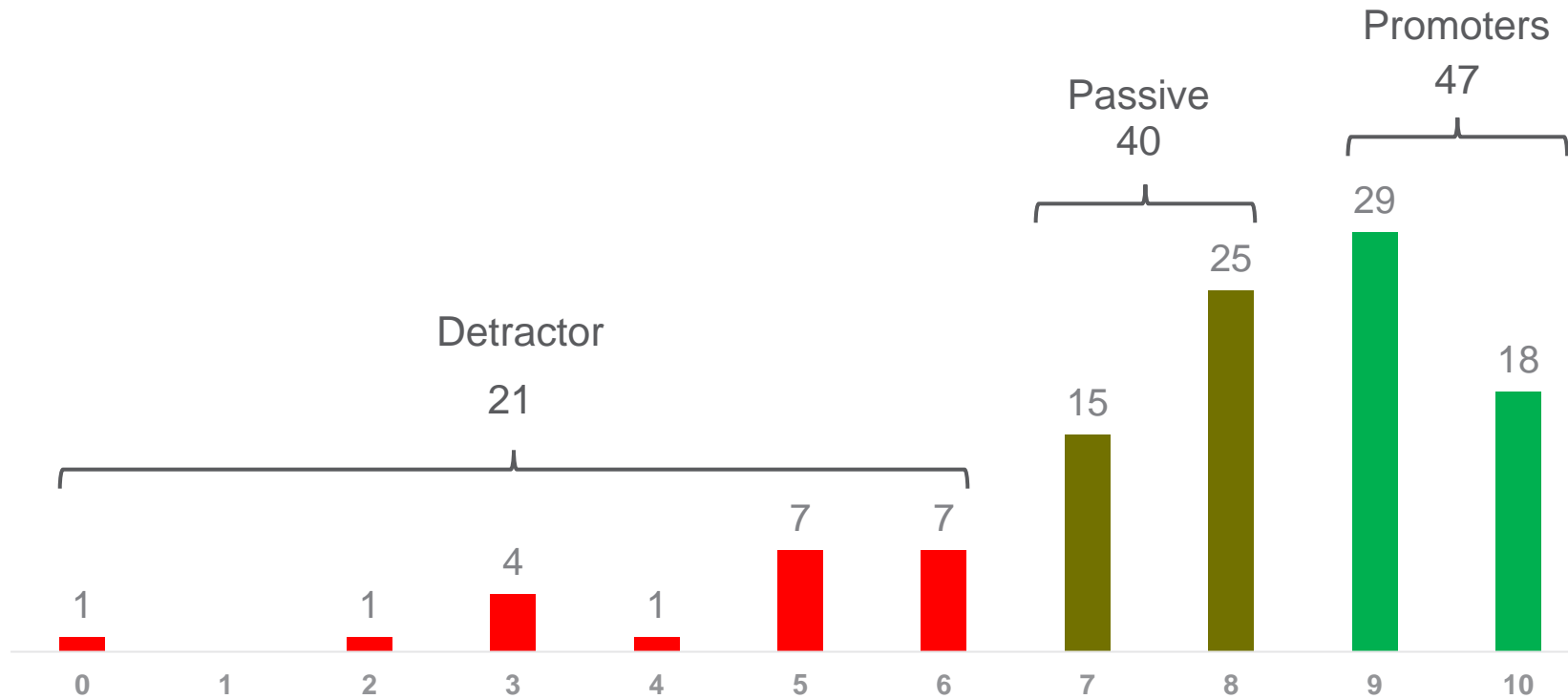
Overall the response rates between the last and current survey are steady (13% v 14%).



NPS Scores

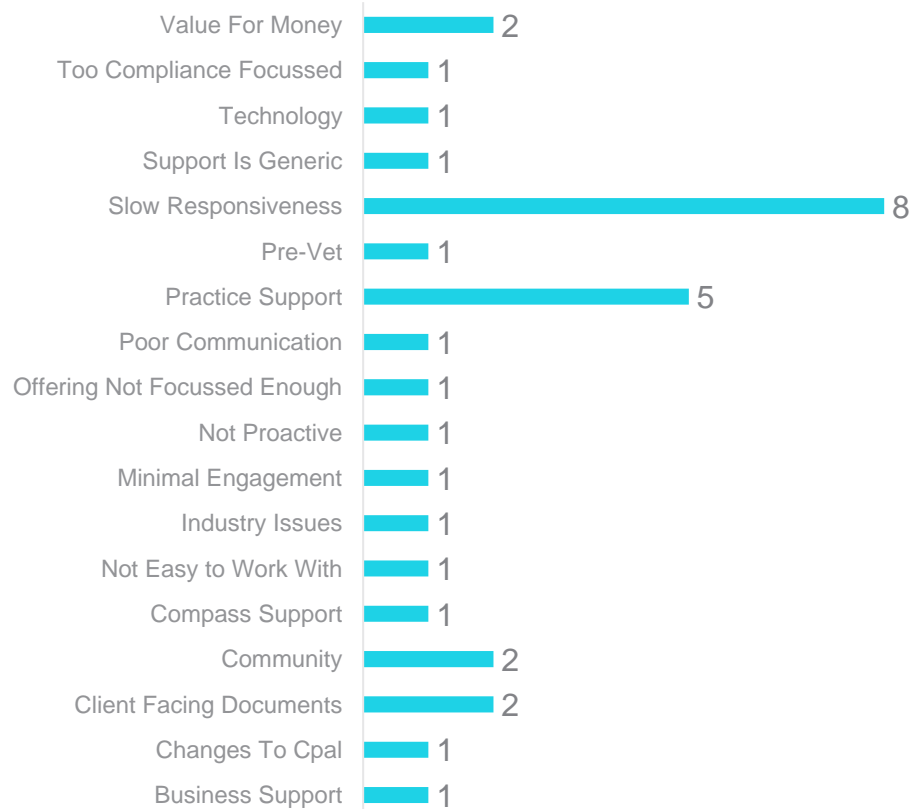


Net promotor distribution

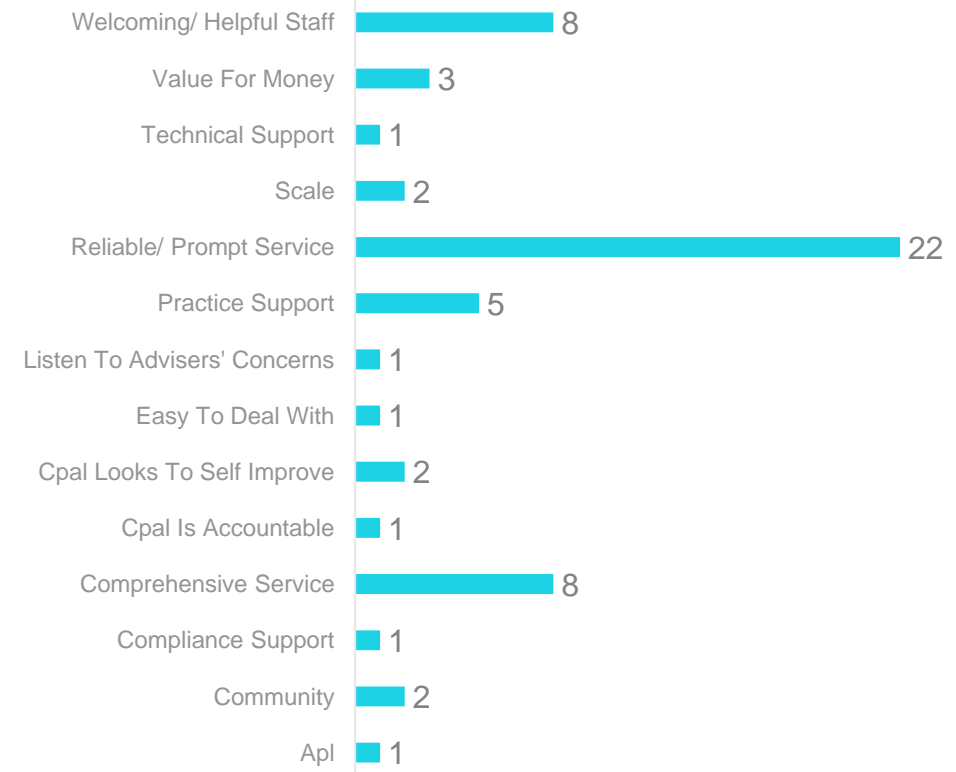


Summary of feedback

Areas requiring Improvement



Areas we are doing well



Some things we are focused on improving

- **Building the CPAL Community**
 - Improve the sense of community and keep efficiency while catering for the "human factor"
- **Efficiency and Timeliness**
 - Review true case closure times (e.g. open date to close date - not just reviewing to due date)
 - Focus on Client Impact around case management - switch focus from "case close" stats to end-to-end resolution of cases and smooth transition of cases across teams until complete satisfactory resolution
 - Investigate tail of outside SLAs to see what we can learn from these as to what the issues are
- **Continuous Process improvement**
 - Enhance our process and service delivery and empower staff

March NPS survey launched 15th March

Open until 31st March

QUESTIONS

