



ASX and Media Release

Spring FG Limited (ASX: SFL)

31 August 2016

Spring FG Limited full year results for FY2016

Financial services company Spring FG Limited (Spring FG or the Company, ASX: SFL) is pleased to provide the following information and commentary in supplement to the Company's Appendix 4E for FY2016 as lodged with the ASX today.

- ✓ *Revenue up 18.4% on PCP*
- ✓ *Receipts from customers up 31.1% on PCP*
- ✓ *Operating profit up 22.9% on PCP*
- ✓ *Fully-franked dividend of 1.0 cent*
- ✓ *NPAT up 7.9% on PCP*
- ✓ *Shift to twice-yearly (interim and final) dividend*

Financial Results

The Company said that revenue and other income increased 18.4% to \$11.67M (2015: \$9.85M) driven primarily through organic growth and its ongoing investment in marketing campaigns.

Operating profit before tax increased 22.9% to \$2.38M (2015: \$1.94M).

Total operating expenses increased only 15.4% to \$8.79M (2015 \$7.62M) despite employment expenses increasing 37.7% to \$4.78M (2014 \$3.47M) as the Company expanded overall staff numbers and prepared for the launch of its new mysuper247 online service and rollout of its retail branch network.

NPAT increased only 7.9% to \$1.67M (2015: \$1.55M) impacted by a \$103k write-off of fixed-assets associated with the relocation of the Company's head-office; and an 82.7% increase in income tax to \$709k (2015: \$388k),

Cash receipts from customers were up 31.1% to \$12.2M (2015: \$9.31M) and in excess of revenue. This trend is expected to continue and further improve over FY2017 and beyond as the Company collects more than \$6.5M of cash receivables on its balance sheet related to the completion of major residential property projects that its clients are invested in.

Balance sheet at 30 June 2016

During the period the Company said that its cashflow and balance sheet management enabled it to make cash dividend payments of \$1.07M (balance paid through DRP); pay \$909k in taxes; and invest a further \$943k of cash in acquiring and developing new and existing assets.

The Company said that its balance sheet remained in a strong position with cash and current cash receivables increasing 36.1% to \$6.78M (FY2015 \$4.98M).

Net assets were up 7.9% to \$16.84M (FY2015 \$15.61M) with net tangible assets (NTA) increasing 12.7% to \$8.70M (FY2014 \$7.72M). NTA backing per ordinary share remained even at \$0.07 (FY2015 \$0.07) due to share issues during the period associated with the Company's DRP.

The Company's early-adoption of AASB 15 has required retained earnings as at 30 June 2015 to be restated as \$2.03M. This coupled with a total dividend of \$3.03M in November 2015 has resulted in a retained earnings figure of \$664k as at 30 June 2016 despite a NPAT of \$1.67M for FY2016.

The Company had no debt facilities (either undrawn or drawn) in place as at 30 June 2016 (or as at today's date).

Dividend information

Notwithstanding the required restatement of retained earnings as at 30 June 2015 resulting from the early-adoption of AASB 15, given the strength of its balance sheet, the Company remains committed to the payment of dividends.

Accordingly the directors anticipate declaring a fully-franked dividend of 1.0 cent. In accordance with the Company's current dividend policy, payment is anticipated in Oct/Nov 2016. The Company expects to lodge an Appendix 3A.1 with respect to the final FY2016 dividend by 30 September 2016 when it lodges its audited financial statements. Final record and payment date details will be provided at that time.

The Company said that following this dividend the Directors intend to move to a twice-yearly (interim and final) dividend format with future payments Oct/Nov and Mar/Apr each year. An interim dividend of 1.0 cent is anticipated in Mar/Apr 2017.

Important Note

All figures herein and in the Company's Appendix 4E reflect the early-adoption Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* with effect from 1 July 2015. All comparative figures for the prior corresponding period (PCP) to 30 June 2015 are restated and reflected as if AASB 15 had been applied in the previous year.



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Earnings per share

Despite the increase in NPAT; earnings per share was down 8.0% to 1.38 cents (FY2015: 1.50 cents). This is primarily as during the PCP 14.66M shares issued in the Company's IPO were issued towards the end of the reporting period. This impacted the *volume weighted average number* of shares on issue used for the calculation of EPS in FY2015.

Relative to total shares on issue at balance date EPS was steady year on year.

Segment performance

Financial planning, investment advice and product sales revenue increased 13.5% to \$9.89M (FY2015: \$8.71M) and was driven by new wealth management plan engagements which were up 41% to a record 551 for the year (FY2015: 389).

The Company said that significantly it achieved 226 new wealth management plan engagements in the quarter to 30 June 2016 pointing to continued growth in revenue and profits across FY2017 as the work-in-progress associated with those engagements translates to revenue in accordance with its adoption of AASB 15.

Accounting & taxation services revenue increased 57.6% to \$1.43M (FY2015: \$905k) and was predominately from the provision of services to wealth management clients.

Financial Statements

As set out in Section 14 of its Appendix 4E lodged with the ASX today the Company's financial report is in the process of being audited.

The Company expects to lodge its audited financial statements by 30 September 2016.

Full Results Presentation, Shareholder & Analysts Briefing and Conference Call

The Company said it will provide a full results presentation at the time of release of its audited financial statements which it expects to be by 30 September 2016.

Shareholders and interested parties will be invited to join a conference call on Tuesday 4 October 2016 at 10.30am for a review of the FY2016 operating results. Dial in details will be provided the day prior to the call.

About Spring FG Limited – www.springFG.com – ASX: SFL

Spring FG Limited (Spring FG) is a diversified financial services company offering financial planning and investment advice; wealth management; insurance and superannuation; finance; and tax & accounting services. Its advice and product offerings are broad and include a specialisation in self-managed superannuation funds (SMSFs); and residential real estate investment.

The Company has offices in Sydney, Melbourne, Brisbane, Canberra, Newcastle and Wollongong and is preparing for a rollout of a franchised branch office network. It also operates a range of leading "fintech" services including its spring247 personal financial management and mysuper247 SMSF platforms.

With an online community of more than 160,000 subscribers, the Company's *Spring FG Digital* division offers financial education and market information services free-of-charge through regular seminar programs, the publication of its *Wealthadviser* library of more than 90 eBooks on a broad range of subjects, and the operation of content-rich websites, including industry-leading sharecafe.com.au and wealthadviser.com.au.

Further information:

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