



ASX and Media Release Spring FG Limited (ASX: SFL)

1 March 2017

Spring Financial Group to boost assets under advice by \$325M with key acquisition

Financial services company Spring FG Limited (Spring FG or the Company) today announced it has entered into an agreement to acquire specialist superannuation and retirement planner, Financial Choice Pty Ltd (Financial Choice).

- ✓ *Boosts assets under advice by \$325M to circa \$850M*
- ✓ *Expected to contribute \$1.8M pa of recurring revenue and \$1.2M pa of EBITDA*
- ✓ *Pro-forma impact of 52% increase on FY2016 NPAT*
- ✓ *Client base includes high-value SMSFs plus more than 15,000 retail clients*
- ✓ *Founder and CEO, Russell Medcraft to join Spring executive team*

Established more than 20 years ago Financial Choice provides financial advice and dealing services, including self-managed superannuation advice and administration, to retail and wholesale investors and SMSF trustees from offices in Sydney and Melbourne.

The Company said that the acquisition would add a significant \$325M of assets under advice bringing its gross assets under advice to around \$850M. It said it expected the acquisition to contribute \$1.8M pa of recurring revenue and more than \$1.2M of EBITDA on an annualised basis. It said the pro-forma impact on its FY2016 actuals would represent a 52% increase in NPAT to \$2.43M (before considering revenue synergies).

Executive ranks bolstered with founder and CEO to join Spring FG

Financial Choice founder and CEO, Russell Medcraft, will join Spring FG in an executive capacity post-settlement to assist with the merger of the business and operations of Financial Choice with Spring FG. He will bring with him a 30-year track record of success in the financial services industry and a team of dedicated professionals that will further bolster the advisory and administration team at Spring.

Diversifies revenue and asset profile and provides large client base to leverage

Spring Financial Group founder and managing director, Keith Cullen, said that the acquisition would further broaden the Group's revenue profile and profile of its assets under advice. He added, "Financial Choice also has a diverse client base with a concentration of around 2,000 high value clients augmented with around 15,000 retail account holders from historical corporate super programs". "We see a significant opportunity to broaden services to this group and unlock value for them and from them", said Mr Cullen.

Acquisition timing and terms

The Company said it had agreed to pay \$2.5M by way of cash and vendor shares (to be issued at \$0.20 per share) at settlement which is expected to take place in April. Settlement is subject to final Company and bank due diligence by Spring FG. A second deferred payment of \$1.3M will be paid in October 2017.

Subject to future performance hurdles further performance-based payments of up to a maximum of \$1M may be payable to the vendor in late 2018.

Results Presentation and Conference Call to include acquisition discussion

A results presentation to discuss the Company's Interim Report for the half-year to 31 December 2016 and the acquisition of Financial will be conducted via conference call on Thursday 2 March 2017 at 9.00am. Shareholders and interested parties are invited to attend. A copy of the presentation and dial-in details will be released to market in due course.

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.



**ASX and Media Release
Spring FG Limited (ASX: SFL)**

1 March 2016

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 sharecafé.com.au and wealthadviser.com.au.

Further information:

Samantha Clark
Head of Marketing & Communications
Spring FG Limited
Tel: +612 9248 0422
samantha.clark@springFG.com

Gerry Bullon
Principal
Insor Investor Relations
Tel: +6 4 18106675
gerry.bullon@insor.com.au