

## **ASX Announcement**

1 June 2020

# **Acquisition of industry-leading software solutions provider**

## **Highlights:**

- **Centrepoint Alliance to acquire industry-leading financial planning software solutions provider, Enzumo, for \$1.5 million in cash**
- **Transaction forms part of execution of Centrepoint Alliance's Strategic Refresh program**
- **Acquisition enhances Centrepoint Alliance's technology offering to new and existing advisers**
- **Centrepoint Alliance fee-based revenue to build further on 37% revenue growth delivered in 1H20**
- **Centrepoint Alliance continues to actively review and pursue opportunities to accelerate its transformation**
- **Builds on strong financial position with \$9.0m in cash and no debt, as of 30 April 2020<sup>1</sup>**

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 announce that it has entered into a binding agreement to acquire the profitable Enzumo financial planning technology solutions business comprising Enzumo Corporation Pty Ltd and Enzumo Consulting Pty Ltd ("Enzumo"), from Chant West Holdings Ltd (ASX: CWL).

## **Enzumo: Australia's leading Xplan customisation group**

Enzumo specialises in financial planning software consulting, customisation and implementation across Australia. By delivering technology customisation and integration services to dealer groups and financial planners and advisers, Enzumo helps to improve business efficiencies that contribute to client engagement, as well as revenue growth.

Founded in Brisbane in 2004 and with offices in Sydney, Melbourne and Brisbane, Enzumo has developed an industry-leading reputation and capability in consulting and customisation of Xplan, the industry-leading software platform in the financial planning and wealth sectors.

Enzumo has delivered significant growth since launch. The business now provides its services to more than 2,200 Xplan users nationally, counts a number of Australia's largest dealer groups and financial advice firms as its clients, and achieved year-on-year revenue growth of 34% in H1 FY20 revenue to \$1.3 million (FY19: \$1.9 million). The majority of Enzumo's revenue is subscription-based and recurring through long-standing client relationships, with the remainder coming from consultancy services.

## **Strategic rationale**

Acquiring Enzumo represents the latest step in Centrepoint Alliance's Strategic Refresh and accelerates the Company's development of a scalable, recurring fee-based revenue model. Enzumo brings a strong track record of delivering expansion in its adviser base, growth in recurring revenue and tangible value for financial advisers and their clients.

Enzumo's offerings are highly complementary to Centrepoint Alliance's advice services business, bringing a new and highly valued extension to the Company's offering to financial advisers, at a time when Centrepoint Alliance anticipates rising demand for technology support services from both authorised representatives and self-licensed businesses.

### **Acquisition of Enzumo**

Centrepoint Alliance has agreed to acquire Enzumo for consideration of \$1.5 million in cash. The purchase price represents a multiple of approximately 0.6x expected (unaudited) FY20 revenue, and 4.2x expected (unaudited) standalone FY20 EBITDA. The consideration will be payable on completion of the acquisition, which is subject to the satisfaction of conditions precedent. The Company expects these conditions to be satisfied by mid-June 2020.

Both Centrepoint Alliance and Enzumo will continue to service and support advisers and there will be no immediate changes to either business model. Enzumo will retain and continue trading under its existing name, branding and corporate structure.

Commenting on the acquisition, Centrepoint Alliance CEO, Angus Benbow, said:

*"It is my pleasure to welcome Enzumo to the Centrepoint Alliance community. We already provide services to some of Enzumo's largest clients, and Centrepoint Alliance's support for both self-licensed advisers and licensees make Enzumo's technology solutions a natural complement to our advice and business services."*

*"Acquiring Enzumo will accelerate the transformation of our business model to focus on scalable, recurring subscription fee revenue. Recurring adviser fees are already Centrepoint's largest income source, and Enzumo will help us to build further on the 37% growth we delivered in recurring revenue in H1 FY20."*

*"Enzumo has a high-quality team which has developed a strong pipeline of new opportunities. I look forward to working with Enzumo to execute its growth plans and add new value to the licensees and advisers across our combined network."*

Chant West Holdings CEO, Brendan Burwood, said:

*"Centrepoint Alliance is a natural owner of the Enzumo business, and this transaction represents the best outcome for all stakeholders. Enzumo and Centrepoint Alliance share a culture that is focused on providing the services and support that financial advice firms need to provide great advice to their clients"*

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

1. Financial position as at 30 April 2020 is unaudited

### **For further information, please contact:**

**Angus Benbow, CEO**  
**Centrepoint Alliance Limited**  
Ph: 02 8987 3000  
E: [angus.benbow@cpal.com.au](mailto:angus.benbow@cpal.com.au)

**About Enzumo:**

Enzumo is a leading provider of software services to the financial planning industry. Enzumo conducts in-depth analysis of financial planning businesses and creates tailored technology solutions to help them operate more efficiently and compliantly.

Its services involve configuring and customising Xplan financial planning software to meet a firm's specific business needs. This typically includes creating customised templates for fact finds, statements of advice, annual reviews and business workflows.

Enzumo also offers e-learning management systems. These are cloud-based, interactive, instructional guides to help advisers optimise their use of Xplan and Enzumo's add-on products.

**About Centrepoint Alliance:**

Centrepoint Alliance (ASX: CAF) is a leading provider of advice and business services to financial advice firms throughout Australia. It offers a complete suite of governance, business management, client growth and advice services that enable advisers to spend more time providing advice to their clients.

Centrepoint is proactively leading the evolution of financial advice business models in Australia. It has introduced a clear fee-based pricing model that will support the provision of more transparent and better financial advice for Australia.