



7 April 2020

ASX Announcement
Centrepoint Alliance business update

Centrepoint Alliance Limited (ASX: CAF) (“Centrepoint”/ “the Company”) provides a business update including the Company’s COVID-19 response.

Business update

- Strong financial position with \$8.4m in cash, \$16.7m in net assets and no debt, as of 31 March 2020 ¹
- All staff working from home with no disruption to services for clients
- Rapidly mobilised support for advisers including fee relief and critical COVID-19 updates
- Temporary 20% pay cut for Board and Executives to proactively manage costs
- Share buy-back launched with 4.6 million shares purchased on 30 March 2020
- Positioned to respond to capital management strategies that arise

In response to the Coronavirus pandemic, Centrepoint implemented its Business Continuity Plan on 6 March, including testing of all critical systems. All staff commenced working remotely on 24 March with all systems operating effectively and no disruption to services provided to all Centrepoint Alliance clients.

Centrepoint has rapidly mobilised additional support to advisers during this difficult period. The Company announced fee relief to its advisers on 25 March by waiving a planned fee increase, reducing fees for larger firms and capping fees for two years. In the meantime, Centrepoint has launched a series of time-critical updates for its advisers to help them support their clients and manage their businesses in the rapidly changing environment.

Centrepoint has reduced costs to ensure the Company continues to remain in a strong capital position through this period of market uncertainty. The Board and Executive team have volunteered a temporary 20% reduction in pay and non-executive staff have been invited to salary sacrifice 6 weeks’ leave over 6 months. The salary sacrificed leave program helps to reduce Centrepoint’s salary costs and provides staff additional flexibility to assist while working remotely and caring for family.

The Company had previously announced its intention to undertake an on-market share buy-back of up to 10% of ordinary shares. The buy-back is in place because the Directors believe it is in the best interests of shareholders and reflects confidence in the underlying value of the business, at current price levels.

Centrepoint Alliance CEO, Angus Benbow said, “We entered this crisis in a strong financial position, with \$8.4m in cash, \$16.7m in net assets and no debt, as of 31 March 2020. ¹ We are able to share the benefits of our scale by providing some fee relief to our advisers.

“Our business is in a robust financial position and our focus is on ensuring the business is sustainable through the crisis. Centrepoint Alliance has been systematically moving from lower quality rebates to recurring fee-based revenue since August 2018, placing our revenue mix in a less vulnerable position due to the market downturn. We are well positioned to respond to capital management strategies as they arise.”

For further information note:

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1. Financial position as at 31 March 2020 is unaudited