

**28 February 2014**

# **Fiducian Continuing Growth**

Half-year results to 31 December 2013

- **Debt-free strong balance sheet**
- **Organic growth contributes to EBITDA increase of 16% to \$3,112,000**
- **Further acquisitions**

## **BUSINESS PERFORMANCE**

**Fiducian Portfolio Services Limited (ASX: FPS)**, a leading Australian non bank aligned financial services organisation, has reported a consolidated after tax profit for the half-year, of \$1,855,000. EBITDA increased by 16% to \$3,112,000. After adjusting EBITDA for depreciation and amortisation operating profit before tax was \$2,793,000, 16% higher than the previous year. Net tangible assets as at 31 December 2013 was 39 cents per ordinary share up from 36 cents per ordinary share as at 31 December 2012.

As such the Directors have resolved to pay an interim fully franked dividend in respect of the December 2013 half-year of 4.10 cents per share, having paid a final dividend of 3.60 cents per share (fully franked) for the half-year to 30 June 2013.

The Fiducian business model is vertically integrated and captures the full value chain of financial planning, portfolio administration, funds management, tax accounting and IT systems enabling growth and profitability. Each business pillar contributes individually and jointly to a superior service offering to our clients.

## **ADMINISTRATION**

At 31 December 2013, assets under administration in the Fiducian platforms were \$1,017 million. Assets under administration grew by around 9% over the last six months, which was a welcome change to the declining to stable trend of the last five years.

Managing Director, Indy Singh said "It is pleasing that organic growth has contributed to 16% increase in EBITDA. At each six monthly interval over the past five years, we started from higher funds under

## MEDIA RELEASE

administration base and ended the period either stable or lower. This time our closing funds under administration are higher in December than they were in July, which should support future earnings growth. We are now looking at acquisitions to build on this momentum”.

### **DISTRIBUTION & FINANCIAL PLANNING**

The relationship between the Fiducian salaried and franchised planners and their clients remains strong and is founded on quality financial planning advice and strategy.

In the last six months there has been an increase to the network by two Financial Planners. The prescribed changes to law have resulted in significant opportunities to add new franchisees to our network. Recruitment of these additional franchisees should be finalised in the second half of the current financial year.

Fiducians’ appetite to make acquisitions for the existing salaried network continues and the team are progressing a handful of opportunities. Ideally at least one acquisition could be completed before the end of the financial year.

Meanwhile the emphasis on quality training, professional development and compliance continues and underpins our compliance with the law.

### **BUSINESS SERVICES**

Fiducian Business Services is starting to build steady volumes through its accountancy resourcing service and has proven its potential to increase the profitability of accounting practices that use its services. A third accounting practice with around \$0.2 million of fees was recently acquired in Sydney. This is likely to become a fast growing area of our business and negotiations to acquire new practices are underway in Victoria, Tasmania and Western Australia.

## **INFORMATION TECHNOLOGY**

Our Wrap administration software FasTrack is delivering efficiency benefits for our Platform Administration business. In addition, FORCe, our financial planning software, continues to be used by our affiliated Financial Planners. We are currently reviewing options on how to commercialise use of these software systems in the broader market. Current projects include a revamp of our online reporting interface, Fiducian Online, and minor modifications to our web based initiative, Fiducian BPO.

## **INVESTMENT MANAGEMENT**

Fiducian Funds, built around the in-house Manage-the-Manager Investment Management system, continue to attract the majority of retail funds placed with us and total around \$1.1billion. Our funds are positioned to capture a share market recovery and have been marginally weighted towards growth assets. As a consequence they have performed well.

The Fiducian India Fund is available on a number of wrap platforms in the market place and is also being distributed to the IFA market.

Ends.

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