

Managed Accounts Announces Half Year Results

Sydney, Wednesday 27 February 2019

Managed Accounts Holdings Ltd (ASX: MGP) (Company or MGP) announces its half year results to 31 December 2018.

Summary and highlights

Strategic transformation complete, well placed for sustained growth.

Financial highlights

- Revenue of \$9.3 million, up 96% compared to prior corresponding period - includes Linear acquisition and solid organic performance;
- Gross margin of \$7.09 million (\$3.77 million in pcp), 76.1% margin - scalable administration technology platform;
- Underlying EBITDA loss of (\$0.095) includes \$0.667 million of one-off acquisition and non reoccurring synergies costs;
- The results were affected by the delay in receiving the anticipated fees for the new Wrap services of \$0.6 million and GST entitlements of \$1.3 million, the latter of which is expected to be lodged with the ATO shortly;
- FY19 guidance affirmed: underlying EBITDA expected to be \$7.0m - \$8.5m; and
- Strong 2H expected with full contribution from acquisitions.

FY19 earnings guidance assumes:

- annualised synergies of \$3.5 million from the Linear transaction;
- the exclusion of any transaction or integration costs for any acquisitions;
- no material downturn in global financial markets;
- no adverse regulatory change on the products and services provided by the Company.

Strategic highlights

- Strategic transformation complete - one of Australia's leading independent specialist investment administration technology and solutions providers;
- Linear, Aracon and DIY Master acquisitions performing well - expand MGP's capability across multi asset, multi market, multi custody administration;
- MGP able to offer an end to end superannuation solution encompassing trustee services, member administration and investment management; and
- Well placed for sustained growth with expanded market opportunities across superannuation and investment administration value chain.

Chair of MGP Peter Brook, noted, "The last six months has been an important and productive period for MGP. We deliberately set out to transform MGP to take advantage of the opportunities in the new regulatory environment. We have successfully built out our capability across multiple assets and markets, and supplemented this with complementary, selective acquisitions. We have strengthened our execution disciplines and are implementing the strategy to plan. By leveraging our deep industry experience and technology expertise, we have flexibility to provide clients with individually tailored, highly effective, low cost technology and administration solutions".

For personal use only

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, the Company assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, the Company and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release. This release should be read in conjunction with the Company's other ASX announcements and releases.

RELEASE ENDS

Contact:

Peter Brook

Non-Executive Chairman

P: +61 407 727 665

For personal use only