

ASX Release Date: 30 August 2018

## **Managed Accounts Exceeds Full Year Earnings Guidance After Transformative Merger**

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Investment administration provider Managed Accounts Holdings Limited (ASX: MGP or the Company) is pleased to announce that the underlying earnings performance for the year to 30 June 2018, has exceeded full year earnings guidance on the back of continued growth and the integration of the company's transformative merger with Linear Financial Holdings Pty Ltd (Linear) in November 2017.

Adjusted earnings before interest tax depreciation and amortisation (EDITDA) were \$2.87 million for the year ended 30 June 2018, a 95 per cent increase on the year ended 30 June 2017.

The result comfortably exceeded management's previously-stated guidance of adjusted EBITDA to the market.

Among several highlights, revenue increased by 120 per cent to \$15.14m, reflecting slightly more than seven months' contribution from the Linear business. Excluding the Linear contribution, Managed Accounts' revenue increased by 21 per cent to \$8.37m, demonstrating strong organic growth in the pre-merger business. Funds under administration (FUA) stood at \$13.09 billion as of 30 June 2018.

The company reported a net loss of \$2.5m compared with the previous year's gain of \$0.67m. The loss included \$1.26m acquisition costs, a \$1.93m asset write off mainly relating to the write off of discontinued software being developed and non-cash employee share option scheme expenses of \$0.28m.

No dividend was declared, in line with the board's decision last year to suspend payouts post the Linear acquisition.

Managed Accounts CEO David Heather said the results showed the early benefits of the merger with Linear;

"The merger with Linear has been a transformational transaction for the business, enabling it to consolidate its evolving position as a leading provider of investment administration solutions in the Australian market with a specialisation in managed accounts".

Following the integration effort and resultant achievement of synergies in FY18, the Company is in a position leading into the FY19 to take advantage of industry structural change and add to its high quality client base of stockbrokers, wealth managers and advisory firms.

The Company maintains its underlying EBITDA guidance for FY19 in the range of \$7.5 - \$8.5 million. This is assuming:

- full run rate synergies of \$3.5 million from the Linear transaction expected to be achieved in 2H FY19
- excludes any transaction or integration costs
- all software development costs are expensed
- no inclusion of amortisation of Linear software or Linear client contracts and costs of acquisition
- no material downturn in global financial markets
- no adverse regulatory change on the products and services provided by the Company.

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.

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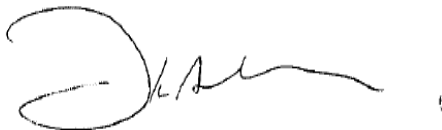
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#### About Managed Accounts Holdings Limited

Managed Accounts Holdings Limited is a leading provider of investment administration services with a specialisation in managed accounts. Established in 2004, it provides superior administration and technology solutions to some of Australia's leading stockbrokers, wealth managers, and financial advisory firms. Following the merger with Linear Financial, Managed Accounts is responsible for funds under administration of approximately \$13 billion.

#### Authorised by:



**Don Sharp**  
Chairman  
Managed Accounts Holdings Limited