



24 August 2023

## FY23 Results Announcement

### ASX Announcement

#### Summary for the twelve months to 30 June 2023

##### *Key financial highlights:*

- Softer result driven by challenging market environment for E&P Capital, progressive wind-down of Real Asset funds impacting earnings as foreshadowed, offset in part by strong margin recovery in E&P Wealth.
- Statutory loss after tax of \$17.0 million largely driven by non-cash goodwill impairment of \$19.3 million in E&P Capital as a result of softer capital markets activity due to near term economic uncertainty.
- Net revenue of \$167.1 million and Underlying EBITDA of \$19.8 million, down 14% and 32% respectively on prior period.
- Modest underlying NPATA of \$6.0 million notwithstanding subdued capital markets activity.
- Solid balance sheet including cash balance to \$53.3 million and no debt as at 30 June 2023.
- No final dividend declared given the FY23 financial performance.

Managing Director and CEO, Peter Anderson said “Financial year 2023 was a challenging but productive year for the Group, with our efforts shifting from platform consolidation to growth. Market conditions were not conducive to M&A and capital market transaction activity and this dynamic has led to a softer financial result than the prior year. We remain focused on building out our platform for the long term and as such have continued to invest in our people and core capability during the year, meaning the business is exceptionally well positioned to leverage improved market conditions once they eventuate.”

E&P Wealth delivered an improved result following the stabilisation of the business in the prior year, driven by cost rationalisation and the recovery of advice and services revenue. This comes after the review of fee structures during the year, with all fixed-fee clients adjusted to an industry standard fee arrangement or transitioned to a FUA-based model. The increase in FUA-based fee models demonstrates success in the transition towards a contemporary advice model, with the full effects of the improved economics not expected to be felt until next financial year.

E&P Capital delivered a softer performance in light of challenging market conditions specifically impacting Institutional trading volumes and capital markets activity across the market. Notwithstanding the softer result, E&P Capital continued to invest in the platform by increasing the breadth and depth of their research offering and senior origination capability. This included senior recruitment in target sectors across Corporate Advisory and Research.

As foreshadowed in previous results, E&P Funds is nearing the completion of its restructure, with the progressive wind-down of the Group’s Real Asset funds impacting earnings. During the year, several planned initiatives have been closed out across the platform, most notably the transition of Responsible Entity services to K2 Asset

Management in addition to asset sales in New Energy Solar, the US Masters Residential Property Fund and the Fort Street Real Estate Capital Fund. The resulting simpler and smaller funds offering allows the Group to focus on its core equities strategies moving forward, with both the Claremont Global and Global Disruption equities strategies outperforming their respective benchmarks over the twelve months to 30 June 2023.

## Outlook

Looking ahead, the Board and management team are firmly focused on:

- 1) resolving the remaining legacy issues;
- 2) leveraging our simplified platform to deliver growth from our core businesses; and
- 3) transitioning CEO leadership to Ben Keeble.

While E&P Wealth is expected to benefit from the annualisation of fee changes and cost efficiencies commenced in FY23, capital market activity for E&P Capital remains subdued with the economic outlook uncertain. E&P Capital is well positioned to leverage the improved market dynamics when they eventuate.

Whilst the Board has not declared a final dividend, the Board remains committed to its full year dividend payout ratio of 75% to 85% of NPATA over time in normal trading conditions.

Further information regarding E&P Financial Group's results is set out in the Group's Annual Report and Investor Presentation for the full year ended 30 June 2023, which are available at [www.eandp.com.au](http://www.eandp.com.au).

## Results webcast

Managing Director & CEO, Peter Anderson and Chief Financial Officer, Stephen Hill will host a result webcast for investors at 10:30am today. The webcast can be accessed via the following link:

[https://webcast.openbriefing.com/ep1\\_fyr\\_2023/](https://webcast.openbriefing.com/ep1_fyr_2023/)

This announcement has been authorised for release by the Board of E&P Financial Group Limited.

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## About E&P Financial Group Limited

E&P Financial Group is an Australian Securities Exchange listed financial services group. In E&P Wealth we service over 7,400 clients, representing \$23.4 billion in funds under advice. In E&P Capital we are an advisor to many leading Australian institutions through the provision of research, institutional sales and trading, corporate advisory, equity capital market and debt capital market services. In E&P Funds, we manage \$4.3 billion of assets across a diverse range of asset classes.