



ASX and Media Release

Spring FG Limited (ASX: SFL)

31 August 2016

Spring FG Limited full year results for FY2016

Financial services company Spring FG Limited (Spring FG or the Company, ASX: SFL) is pleased to provide the following information and commentary in supplement to the Company's Appendix 4E for FY2016 as lodged with the ASX today.

- ✓ *Revenue up 18.4% on PCP*
- ✓ *Receipts from customers up 31.1% on PCP*
- ✓ *Operating profit up 22.9% on PCP*
- ✓ *Fully-franked dividend of 1.0 cent*
- ✓ *NPAT up 7.9% on PCP*
- ✓ *Shift to twice-yearly (interim and final) dividend*

Financial Results

The Company said that revenue and other income increased 18.4% to \$11.67M (2015: \$9.85M) driven primarily through organic growth and its ongoing investment in marketing campaigns.

Operating profit before tax increased 22.9% to \$2.38M (2015: \$1.94M).

Total operating expenses increased only 15.4% to \$8.79M (2015 \$7.62M) despite employment expenses increasing 37.7% to \$4.78M (2014 \$3.47M) as the Company expanded overall staff numbers and prepared for the launch of its new mysuper247 online service and rollout of its retail branch network.

NPAT increased only 7.9% to \$1.67M (2015: \$1.55M) impacted by a \$103k write-off of fixed-assets associated with the relocation of the Company's head-office; and an 82.7% increase in income tax to \$709k (2015: \$388k),

Cash receipts from customers were up 31.1% to \$12.2M (2015: \$9.31M) and in excess of revenue. This trend is expected to continue and further improve over FY2017 and beyond as the Company collects more than \$6.5M of cash receivables on its balance sheet related to the completion of major residential property projects that its clients are invested in.

Balance sheet at 30 June 2016

During the period the Company said that its cashflow and balance sheet management enabled it to make cash dividend payments of \$1.07M (balance paid through DRP); pay \$909k in taxes; and invest a further \$943k of cash in acquiring and developing new and existing assets.

The Company said that its balance sheet remained in a strong position with cash and current cash receivables increasing 36.1% to \$6.78M (FY2015 \$4.98M).

Net assets were up 7.9% to \$16.84M (FY2015 \$15.61M) with net tangible assets (NTA) increasing 12.7% to \$8.70M (FY2014 \$7.72M). NTA backing per ordinary share remained even at \$0.07 (FY2015 \$0.07) due to share issues during the period associated with the Company's DRP.

The Company's early-adoption of AASB 15 has required retained earnings as at 30 June 2015 to be restated as \$2.03M. This coupled with a total dividend of \$3.03M in November 2015 has resulted in a retained earnings figure of \$664k as at 30 June 2016 despite a NPAT of \$1.67M for FY2016.

The Company had no debt facilities (either undrawn or drawn) in place as at 30 June 2016 (or as at today's date).

Dividend information

Notwithstanding the required restatement of retained earnings as at 30 June 2015 resulting from the early-adoption of AASB 15, given the strength of its balance sheet, the Company remains committed to the payment of dividends.

Accordingly the directors anticipate declaring a fully-franked dividend of 1.0 cent. In accordance with the Company's current dividend policy, payment is anticipated in Oct/Nov 2016. The Company expects to lodge an Appendix 3A.1 with respect to the final FY2016 dividend by 30 September 2016 when it lodges its audited financial statements. Final record and payment date details will be provided at that time.

The Company said that following this dividend the Directors intend to move to a twice-yearly (interim and final) dividend format with future payments Oct/Nov and Mar/Apr each year. An interim dividend of 1.0 cent is anticipated in Mar/Apr 2017.

Important Note

All figures herein and in the Company's Appendix 4E reflect the early-adoption Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* with effect from 1 July 2015. All comparative figures for the prior corresponding period (PCP) to 30 June 2015 are restated and reflected as if AASB 15 had been applied in the previous year.



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Earnings per share

Despite the increase in NPAT; earnings per share was down 8.0% to 1.38 cents (FY2015: 1.50 cents). This is primarily as during the PCP 14.66M shares issued in the Company's IPO were issued towards the end of the reporting period. This impacted the *volume weighted average number* of shares on issue used for the calculation of EPS in FY2015.

Relative to total shares on issue at balance date EPS was steady year on year.

Segment performance

Financial planning, investment advice and product sales revenue increased 13.5% to \$9.89M (FY2015: \$8.71M) and was driven by new wealth management plan engagements which were up 41% to a record 551 for the year (FY2015: 389).

The Company said that significantly it achieved 226 new wealth management plan engagements in the quarter to 30 June 2016 pointing to continued growth in revenue and profits across FY2017 as the work-in-progress associated with those engagements translates to revenue in accordance with its adoption of AASB 15.

Accounting & taxation services revenue increased 57.6% to \$1.43M (FY2015: \$905k) and was predominately from the provision of services to wealth management clients.

Financial Statements

As set out in Section 14 of its Appendix 4E lodged with the ASX today the Company's financial report is in the process of being audited.

The Company expects to lodge its audited financial statements by 30 September 2016.

Full Results Presentation, Shareholder & Analysts Briefing and Conference Call

The Company said it will provide a full results presentation at the time of release of its audited financial statements which it expects to be by 30 September 2016.

Shareholders and interested parties will be invited to join a conference call on Tuesday 4 October 2016 at 10.30am for a review of the FY2016 operating results. Dial in details will be provided the day prior to the call.

About Spring FG Limited – www.springFG.com – ASX: SFL

Spring FG Limited (Spring FG) is a diversified financial services company offering financial planning and investment advice; wealth management; insurance and superannuation; finance; and tax & accounting services. Its advice and product offerings are broad and include a specialisation in self-managed superannuation funds (SMSFs); and residential real estate investment.

The Company has offices in Sydney, Melbourne, Brisbane, Canberra, Newcastle and Wollongong and is preparing for a rollout of a franchised branch office network. It also operates a range of leading "fintech" services including its spring247 personal financial management and mysuper247 SMSF platforms.

With an online community of more than 160,000 subscribers, the Company's *Spring FG Digital* division offers financial education and market information services free-of-charge through regular seminar programs, the publication of its *Wealthadviser* library of more than 90 eBooks on a broad range of subjects, and the operation of content-rich websites, including industry-leading sharecafe.com.au and wealthadviser.com.au.

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Important Note

All figures herein and in the Company's Appendix 4E reflect the early-adoption Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* with effect from 1 July 2015. All comparative figures for the prior corresponding period (PCP) to 30 June 2015 are restated and reflected as if AASB 15 had been applied in the previous year.

1. Company Details

Name of entity:	Spring FG Limited
ABN:	87 169 037 058
Reporting period:	For the year ended 30 June 2016
Previous period:	For the year ended 30 June 2015

2. Results of announcement to the market

				\$'000
Revenue from ordinary activities	up	18.4%	to	11,665
Profit before tax	up	22.9%	to	2,379
Profit after tax from ordinary activities attributable to the owners of Spring FG Limited	up	7.9%	to	1,670

Dividends

The Directors anticipate declaring a fully-franked dividend of 1.0 cent.

In accordance with the Company's current dividend policy payment is anticipated in Oct/Nov 2016.

As set out in Section 14, below the financial report is in the process of being audited.

The Company expects to lodge its audited financial statements by 30 September 2016 at which time it also intends to lodge an Appendix 3A.1 with respect to the final FY2016 dividend with final record and payment date details to be provided at that time.

It should be noted that following this dividend the Directors intend to change to a twice-yearly (interim and final) dividend format with payments anticipated in Mar/Apr and Oct/Nov each year. Further details are provided in the market release accompanying this Appendix 4E.

Commentary

The accompanying market release provides a commentary on the results.

This report should be read in conjunction with any public announcements made in the period by Spring FG Limited in accordance with ASX Listing Rules.

Important Note

As previously noted the Company elected to early-adopt Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* with effect from 1 July 2015. All figures relative to FY2016 presented herein and in the accompanying market release reflect the early-adoption. All comparative figures for the prior corresponding period (PCP) to 30 June 2015 are restated and reflected as if AASB 15 had been applied in the previous year.

The Company's FY2016 Consolidated Financial Statements (which it expects to lodge with the ASX by Friday 30 September 2016) will include further appropriately detailed discussion on the impact of the early-adoption AASB 15.

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3. Consolidated Statement of Profit & Loss and Other Comprehensive Income

	2016	Restated 2015
Year ended 30 June 2016	\$'000	\$'000
Revenue & other income	11,665	9,853
Direct costs to generate revenue	(833)	(498)
Employment expenses	(4,779)	(3,469)
Advertising and marketing expenses	(478)	(414)
Professional fees	(278)	(341)
Occupancy costs	(1,099)	(1,062)
Other operating expenses	(1,327)	(1,037)
IPO/ASX listing and acquisition expenses	-	(801)
Total expenses	(8,794)	(7,622)
EBITDA	2,871	2,231
Depreciation & amortisation	(372)	(201)
Loss on disposal of fixed-assets	(103)	-
Interest expense	(17)	(94)
Profit before income tax	2,379	1,936
Income tax expense	(709)	(388)
Profit after income tax expense for the year	1,670	1,548

4. Consolidation Statement of Financial Position

	2016	Restated 2015
As at 30 June	\$'000	\$'000
CURRENT ASSETS		
Cash & cash equivalents	1,378	1,626
Trade & other receivables	5,406	3,357
Other assets	288	436
TOTAL CURRENT ASSETS	7,072	5,419
NON-CURRENT ASSETS		
Trade & other receivables	3,840	4,311
Plant & equipment	683	452
Deferred tax assets	391	388
Goodwill & intangible assets	8,136	7,892
TOTAL NON-CURRENT ASSETS	13,050	13,043
TOTAL ASSETS	20,122	18,462
CURRENT LIABILITIES		
Trade & other payables	1,978	1,506
Current tax liabilities	595	678
Employee benefits	250	167
TOTAL CURRENT LIABILITIES	2,823	2,351
NON-CURRENT LIABILITIES		
Deferred tax liabilities	456	499
TOTAL NON-CURRENT LIABILITIES	456	499
TOTAL LIABILITIES	3,279	2,850
NET ASSETS	16,843	15,612
EQUITY		
Issued capital	16,179	13,587
Retained earnings	664	2,025
TOTAL EQUITY	16,843	15,612

5. Consolidated Statement of Cash Flows

Year ended 30 June 2016	2016 \$'000	Restated 2015 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	12,200	9,307
Payment to suppliers and employees	(10,756)	(8,524)
Interest paid/received (net)	85	6
Sub-total (Net cashflow from continuing operations)	1,529	789
One-off and non-recurring IPO/ASX expenses	-	(369)
Non-recurring expenses in restructuring acquisitions	-	(432)
One-off interest expense related to acquisition	-	(79)
Income taxes paid	(909)	(873)
Net cash provided by operating activities	620	(964)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for acquisitions	-	(3,496)
Payments for property, plant & equipment	(943)	(102)
Payments received – related party loans	-	11
Net cash used by investing activities	(943)	(3,587)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	782	7,855
Repayment of borrowings	435	-
Limited recourse loans	-	(800)
Capital raising costs	(75)	(402)
Dividends paid	(1,067)	(1,235)
Net cash used by financing activities	75	5,418
Net increase in cash and cash equivalents held	(248)	867
Cash and cash equivalents at the beginning of the year	1,626	759
Cash and cash equivalents at the end of the year	1,378	1,626

6. Consolidated Statement of Retained Earning and Changes in Equity

	Ordinary Shares \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2015 (Restated)	13,587	2,025	15,612
Profit attributed to members of parent entity	-	1,670	1,670
Dividends paid	-	(3,031)	(3,031)
Shares issued during the year	2,667	-	2,667
Transaction costs	(75)	-	(75)
Balance at 30 June 2016	16,179	664	16,843

7. Dividends

The Directors anticipate declaring a fully-franked dividend of 1.0 cent.

In accordance with the Company's current policy payment is anticipated in Oct/Nov 2016.

As set out in Section 14, below the financial report is in the process of being audited.

The Company expects to lodge its audited financial statements by 30 September 2016 at which time it also intends to lodge an Appendix 3A.1 with respect to the final FY2016 dividend. Record and payment date details will be provided at that time.

It should be noted that following this dividend the Directors intend to change to a twice-yearly (interim and final) dividend format with payments anticipated in Mar/Apr and Oct/Nov each year. Further details are provided in the market release accompanying this Appendix 4E.

Earnings per share

	Reporting period (cents)	Previous period (cents)
Basic Earnings per share *	1.38	1.50
Diluted earnings per share *	1.37	1.50

	Reporting period (number)	Previous period (number)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS *	121,286,492	103,016,299

* All historical share-based calculations and numbers have been adjusted to reflect a 24:1 share split on 11 November 2014.



8. Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan (DRP). The Directors intend that the DRP will be fully applicable to the anticipated final dividend. Further details with respect to the operation of the DRP including pricing will be provided with the Appendix 3A.1 which the Company expects to lodge with its audited financial statements by 30 September 2016.

9. Net Tangible Assets

	Reporting period (\$)	Restated Previous period (\$)
Net tangible assets per ordinary share *	\$0.07	\$0.07

* Adjusted for a 24:1 share split on 11 November 2014.

10. Change in control over entities

Name of entity	Mysuper 247 Pty Ltd
Date Control gained	07 March 2016

11. Control over entities

Name of entities	2016 % owned	2015 % owned
Spring FG Wealth Pty Ltd (formerly Spring Financial Group Pty Ltd)	100	100
Spring FG Realty Pty Ltd	100	100
Spring FG Finance Pty Ltd	100	100
Spring FG Accounting Pty Ltd	100	100
Spring FG Services Pty Ltd	100	100
Spring FG Digital Pty Ltd (formerly Digifi Group Pty Ltd)	100	100
PDFG Pty Ltd	100	100
PDFG AFSL Pty Ltd (deregistered 18 Feb 2016)	100	100
PDFG Tax Services Pty Ltd (deregistered 11 Feb 2016)	100	100
Mysuper 247 Pty Ltd (formed on 07 March 2016)	100	-

12. Segment Reporting

Year ended 30 June 2016	Financial planning, investment advice & product sales \$'000	Accounting & Tax Services \$'000	Other \$'000	Total \$'000
Segment revenue	9,889	1,426	350	11,665
EBITDA	2,837	596	(562)	2,871
Depreciation & amortisation	(282)	(12)	(78)	(372)
Loss on disposal of fixed-assets	-	-	(103)	(103)
Interest expenses	(7)	-	(10)	(17)
Profit before income tax	2,548	584	(753)	2,379

Restated Year ended 30 June 2015	Financial planning, investment advice & product sales \$'000	Accounting & Tax Services \$'000	Other \$'000	Total \$'000
Segment revenue	8,712	905	236	9,853
EBITDA	2,641	304	(714)	2,231
Depreciation & amortisation	(194)	(7)	-	(201)
Interest expenses	-	-	(94)	(94)
Profit before income tax	2,447	297	(808)	1,936

13. Accounting policies

The general purpose financial statements for the reporting period ended 30 June 2016 have been prepared in accordance with Australian Standards and the Corporations Act 2001, as appropriate for all profit-oriented entities.

14. Audit status

The financial report is in the process of being audited. At this point of the audit process there have not been any disputes nor issues raised that will be subject to audit qualification.



Keith R Cullen
Managing Director
31 August 2016