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EQT Holdings Limited – improved half-year result as business transition nears completion

- Net profit after tax \$7.2m, up 3%*
- Strong momentum with underlying revenue growth up 7%*
- Funds under management, administration, advice and supervision \$72.5b, up 26%*
- Final dividend 35c, up 1 cent

EQT Holdings Limited (ASX: EQT), the holding company for Equity Trustees, today reported a steady profit for the half year to 31 December 2016, reflecting the restructure of the business to position it for growth.

EQT Managing Director Mick O'Brien said solid underlying revenue growth and disciplined expense control had largely offset the costs of the business transition during the half.

"A 23% increase in funds under management, strong growth in Corporate Trustee Services, improving momentum in Trustee and Wealth Services and tighter cost control reflect good underlying improvement in the businesses," Mr O'Brien said.

A dividend for the half of 35 cents per share, fully franked, had been declared. This is 1 cent higher than the 2016 interim dividend and reflects the positive outlook.

Mr O'Brien said the headline revenue and operating profit results were impacted by the exit from non-core businesses as part of the business transition.

"EQT continues to target a significant improvement in net profit after tax for the full year," Mr O'Brien said.

"The first phase of the operating model review, which has identified \$2.7 million in annualised cost savings, has been completed ahead of schedule and those gains are beginning to accrue.

"The restructure is nearing completion and the benefits are expected to emerge in the second half of FY17.

"We expect further gains will be achieved as the remaining review recommendations are implemented over the next six to 12 months."

Mr O'Brien explained the acquisition of the Sandhurst Estates business announced during the half was in line with the company's strategic growth plan and was expected to strengthen EQT's presence in the market.

"Sandhurst Estates is an excellent business and we expect it to make a positive contribution to earnings from FY18," he said.

EQT has also today announced the appointment of a new non-executive Board director, Jim Minto effective 1 March 2017.

EQT Holdings Limited

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Mr O'Brien said EQT seeks to be the leading specialist trustee company in Australia and is well positioned for future consolidation in the industry.

"Our independence and clear focus means we can offer financial institutions the opportunity to provide their clients with specialist services, in an unconflicted manner.

"The outlook for EQT is very positive given the strong industry fundamentals driven by demographic and structural changes," he said.

With the release of the results, EQT shareholders have received an invitation to consider donating part or all of their cash dividend payments to the [Equity Trustees Foundation](#), supporting the Company's commitment to empowering change in the community, and building a philanthropic culture.

"We have a long history of providing trustee services and managing charitable foundations. Our Empowering Change philanthropy program is responsible for distributing more than \$70m to not-for-profits and charitable causes annually. Part of our commitment to philanthropy includes our Foundation – and we are pleased to invite shareholders to support our Company commitment," Mr O'Brien concluded.

*On previous corresponding period

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EQT Holdings Limited is the listed holding company for Equity Trustees, established in 1888 to provide independent and impartial trustee and executor services to help families throughout Australia protect their wealth. As one of Australia's largest independent trustees, Equity Trustees offers a diverse range of services to individuals, families and corporate clients including asset management, estate planning, philanthropic services and responsible entity services for external fund managers.

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