

ASX Announcement

2024 financial year results

29 August 2024

Generation Development Group (ASX:GDG) is pleased to announce its financial results for the full year ended 30 June 2024.

Highlights

<p>Underlying Earnings (Life / Administration Business)</p> <p>\$10.3m</p> <p>Increased by 25% (FY23: \$8.2m)</p>	<p>Revenue</p> <p>\$48.5m</p> <p>Increased by 21% (FY23: \$40.2m)</p>	<p>Product Sales</p> <p>\$674.0m</p> <p>Leader in market inflows with a 48% market share</p>
<p>Active Advisers</p> <p>2,271</p> <p>Increased by 22% on pcp</p>	<p>Cash</p> <p>\$170.0m*</p> <p>as at June 2024</p> <p><small>*includes term deposits and cash of \$150m from the capital raised to fund Lonsec acquisition.</small></p>	<p>Full year dividend</p> <p>2.0 cents</p> <p>Dividend paid per share</p>

	FY24 (A\$'000)	FY23 (A\$'000)	Change (%)
Revenue*	48,510	40,201	21
Expenses*	(38,199)	(31,985)	(19)
Underlying net profit after tax benefit - Life / Administration business	10,311	8,216	25
Income tax expense	(1,166)	(14)	nm
Underlying income from Associates	6,355	3,613	76
Annuity business costs (net of tax)	(4,298)	(4,596)	6
Underlying NPAT	11,202	7,219	55

* Underlying excluding Benefit Funds and non-recurring, including income tax benefit

“FY24 proved to be another year of outperformance for Generation Development Group, surpassing all our key metrics including record sales for both Investment Bonds and LifeIncome (our investment-linked lifetime annuity) totalling \$674m. This resulted in our funds under management (“FUM”) growing to an all-time high of \$3.3bn or a 26% increase, with corresponding underlying earnings growth of 25% to \$10.3m. Generation Life will continue to invest in its market leading tax effective products to capitalise on the legislative changes to superannuation for large balances, and the \$4.9 trillion¹ wealth transfer that will take place in the Australian market over the next few decades. Our products with their market leading features are ideally positioned to be a significant beneficiary of these transformational industry tailwinds.”

Grant Hackett

Chief Executive Officer and Managing Director of Generation Life

Financial

Comparable Underlying Life / Administration business earnings of \$10.3m was an increase of 25% from FY23. This was on the back of strong FUM growth of 26% on the prior corresponding period to \$3.3bn and revenue growth of 21% to \$48.5m. GDG also recorded 48% of investment bond market inflows, the highest share among industry peers, lifting GDG’s overall market share to 30%.

GDG continues to be well capitalised with a cash balance of \$170m (inclusive of \$150m capital raised to fund the cash consideration portion and transaction costs associated with the acquisition of shares in Lonsec Holdings Pty Ltd (“Lonsec”) that GDG did not already own) as at 30 June 2024 and declared a final FY24 dividend of 1cps for the period.

Operational

GDG continued to grow across several key segments of the business: Approved Product Lists increased by 8% to 714, Active Financial Advisers grew by 22% to 2,271 and new Investment Bond numbers increased by 27% to 27,230 in FY24. GDG achieved record investment bond sales of \$657m, up 28% in FY24.

Generation Life’s investment bonds hold a Highly Recommended rating from Chant West while LifeIncome holds a Superior 4 Stars Rating from SQM. Following the acquisition of Lonsec, Generation Life’s investment bonds are no longer able to obtain a research rating from Lonsec in accordance with ASIC conflict of interest regulatory guidance.

LifeIncome has a total FUM of \$33m, an increase of 104% for the year, and \$17m in sales for the period. A new LifeIncome Product Disclosure Statement was launched in February 2024, which provides more features including a withdrawal benefit for policyholders. These additions to LifeIncome were driven by feedback we received from financial advisers since introducing the product in 2022.

Lonsec

GDG completed the acquisition of shares it did not already own in Lonsec on 1 August 2024. Pleasingly, Lonsec delivered a 37% and 55% increase respectively in underlying EBITDA and NPAT. Lonsec Investment Solutions, which helps dealer groups and independent financial advisers establish diversified managed portfolios and separately managed account solutions, continues to achieve strong growth, with funds under management increasing 21% in the last twelve months to \$10.6bn.

1. Generation Life – Looking In the Next Generation by Core Data 2023.

GDG Outlook

GDG is confident that the current sales momentum will continue as we capitalise on the legislative tailwinds from the proposed double tax rate on earnings of superannuation balances above \$3m and redesigned stage 3 tax cut changes.

We will continue to innovate our investment bond offering and tax optimised options on our investment menu and focus on strategic relationships with superannuation funds to grow LifeIncome.

Lonsec will focus on building out new products for Lonsec Investment Solutions and increasing Research capability.

Results Webinar

GDG will host a results webinar today. A Q&A session will follow the presentation.

Date	Thursday, 29 August 2024
Time	11:00am (AEST)
Presenters	Grant Hackett OAM, CEO and Managing Director of Generation Life and Terence Wong, CFO of GDG

To register for the webinar, please follow this link:

https://us02web.zoom.us/webinar/register/WN_Dvh6iMJOTjmdgY-3MJcMJw

After registering, you will receive a confirmation email containing information about joining the webinar.

Prior to the webinar, investors are invited to submit questions to simon@nwrcommunications.com.au.



Outthinking today.

Authorised by and contact for further information:

Terence Wong
Chief Financial Officer

Email: twong@genlife.com.au

Telephone: +61 3 8601 2021

gendevdevelopmentgroup.com.au

1800 806 362