

ASX Announcement



25 February 2026

HY26 Financial Results – Strong Earnings Growth Driven by Record FUM Expansion and Recurring Revenue Momentum

Generation Development Group Limited (ASX: GDG, the Group) today announced its financial results for the first half of FY26 (HY26), delivering strong underlying earnings growth driven by funds under management (FUM) expansion and a growing, diversified recurring revenue base.

HY26 Highlights

- Underlying NPAT of \$20.1m¹ (up 63% pcp)
- Revenue of \$88.4m^{1,2} (up 35% pcp)
- Investment Bonds FUM of \$5.2bn (up 34% pcp), with sustained net inflows and market share gains
- Managed Accounts FUM of \$34.5bn (up 36% pcp on a like-for-like basis)
- Recurring revenue base across Lonsec and Evidentia Group supports predictable earnings
- Cash of \$83.8m³, supporting a strong balance sheet

Group financial performance

The result reflects sustained momentum across all business lines. Revenue and earnings growth were driven by strong FUM growth, contributions from recurring revenue streams, and operating leverage across the platform. Earnings growth exceeded revenue growth, reflecting increasing scale and the growing contribution from recurring revenue streams.

The Group's revenue is increasingly FUM-linked or subscription-based, supporting predictable, scalable earnings into the second half of the 2026 financial year.

During the period, the Group embedded its new operating structure, combining Lonsec Investment Solutions and Evidentia Group, enhancing alignment and accountability across the Group's subsidiaries. This increased focus on performance will lead to higher earnings and stronger shareholder returns.

Generation Life

Generation Life delivered a strong first half performance with FUM increasing 34%, maintaining its leading position with 60% market share of inflows⁴, supported by record adviser numbers utilising investment bonds as part of their client's portfolios.

Demand continues to be supported by the tax efficiency and estate planning features of investment bonds, which are increasingly relevant in the current tax environment, and in the context of the A\$5.4 trillion intergenerational wealth set to transition over the next 20 years⁵.

¹ Includes Evidentia earnings contribution from 18 February 2025.

² Includes income tax benefit.

³ Includes term deposits, excludes cash attributable to Benefit Funds.

⁴ Plan for Life, Investment Bonds Market Report for period ended 31 September 2025.

⁵ JBWere [Generation X is set to transfer wealth to their children on a massive scale](#).

Gross inflows of \$723 million in HY26, represent a record period for the Generation Life business.

Generation Life continued to grow market share during the period and the Group remains very confident on the structural growth opportunity ahead. Ongoing government focus on tax reforms, such as potential changes to capital gains tax, and Division 296 legislation⁶ further strengthen the long-term case for Investment Bonds.

Targeted investment in new product capability and technology across Investment Bonds and Lifetime Annuities, commenced during the first half, ahead of planned product launches later this year. This includes a new version of our Lifetime Annuity, and additional innovative income solutions being developed in partnership with BlackRock. These initiatives, subject to regulatory approval, along with new investment options within Investment Bonds, strengthen our offering and meet growing demand for innovative income producing products.

Evidentia Group

The first half of FY26 has been a defining period for Evidentia with the successful execution and integration of Lonsec Investment Solutions, Implemented Portfolios Ltd and Evidentia Group. This was completed while maintaining 100% client retention and increasing the Tailored Managed Accounts (TMA) client base by 42% since the acquisition of Evidentia in February 2025.

Evidentia delivered \$4.9bn of FUM growth over the period, closing the calendar year with \$34.5bn of FUM. New client wins underpin a strong pipeline for inflows in the second half of FY26 and strong momentum heading into FY27. Consistent with historical experience, conversion rates typically accelerate in the second year for new clients.

In parallel, Evidentia reshaped and scaled the organisation around its three-year Accelerated Growth Plan (AGP), launching key technology initiatives to boost scalability, improve operating leverage, support future earnings growth and drive revenue synergies.

Evidentia Group client relationships, including the combined Lonsec Investment Solutions and Evidentia Group tailored clients, have grown from 53 in February 2025 at the time of the Evidentia acquisition to 75 partner firms, with 14 tailored SMA schemes launched and 7 active wins yet to launch. Client wins during the period have materially increased funds under administration (FUA) providing a strong foundation for inflows and FUM growth in the second half of FY26.

The acquisition of Encore Advisory strengthens Evidentia's competitive moat and enhances its client value proposition by embedding more products and services within advice practices to support their growth.

Lonsec

Lonsec delivered a strong first half, with underlying EBIT up 29% (pcp) to \$10m, driven by improving operating leverage and a highly recurring revenue base. Earnings growth and strong cash generation were supported by subscriber uplift and increased product penetration across the existing client base.

The research platform grew 5% to 1,880 products under coverage, with sustained demand for both core subscription services and on-demand research. Growth in Lonsec's iRate subscriptions has grown 7% in the half to 5,294 subscribers.

⁶ Div 296 legislation: a proposed Australian tax, starting 1 July 2026, targeting superannuation balances over \$3m. It imposes an additional 15% tax (30% total) on earnings from the portion of a balance exceeding \$3m. A further 10% tax (40% total) applies to earnings on balances over \$10m.

In response to heightened governance expectations and increasing regulatory scrutiny, Lonsec will launch a new governance offering to support licensees, platforms and wealth businesses in managing Approved Product Lists (APLs) and investment menus. This reinforces its role in the advice value chain and deepens integration with client compliance and oversight frameworks.

Strong first half drives confidence and momentum into FY26

Generation Development Group CEO, Grant Hackett OAM said: “The HY26 has been a landmark period for the Group, with earnings growth driven by FUM expansion, and strong recurring revenue.

The transformational Group restructure including the integration of Lonsec Investment Solutions and Evidentia Group, combined with the significant investment in each of our subsidiaries products and services, positions the business to capitalise on structural and legislative tailwinds.

These results reflect the strength of our diversified business model, the scalability of our platforms, and the dedication of our teams, giving us confidence in continued momentum and earnings growth into the second half and beyond.”

HY26 Dividend & Outlook

The Board declared an interim dividend of 1.0 cent per ordinary share (fully franked).

We expect second half earnings to exceed HY26 given the strong outlook for each of our subsidiaries.

In Generation Life, we are on track to achieve a record increase in annual sales based on current momentum in the sales pipeline.

In Evidentia, we expect a stronger second half FUM growth supported by over \$2.0bn in mandate transitions, a significant portion of which has migrated in the third quarter (Q3).

Lonsec will continue to see earnings growth on the back of new products to support platforms, licensees, and advisers. We also anticipate strong growth in Lonsec Research based on the current pipeline.

HY26 Financial Results Webinar

Investors are invited to join a live webinar, including a Q&A session, hosted by GDG Chief Executive Officer, Grant Hackett OAM and Chief Financial Officer, Terence Wong.

Date	Wednesday, 25 February 2026
Time	9:00am (AEDT)
Presenters	CEO, Grant Hackett OAM & CFO, Terence Wong

Investors will be able to submit questions via the Q&A function in Zoom or alternatively submit questions prior to simon@nwrcommunications.com.au.

To register for the webinar, please follow this link:

https://us02web.zoom.us/webinar/register/WN_DKSgQssNRyS_Rg64cXKxKQ

ENDS

Authorised for release by the Board of Generation Development Group Limited.

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