



Generation Development Group

FY20 Results Pack

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Generation Life

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Generation Development Group

Outthinking today.

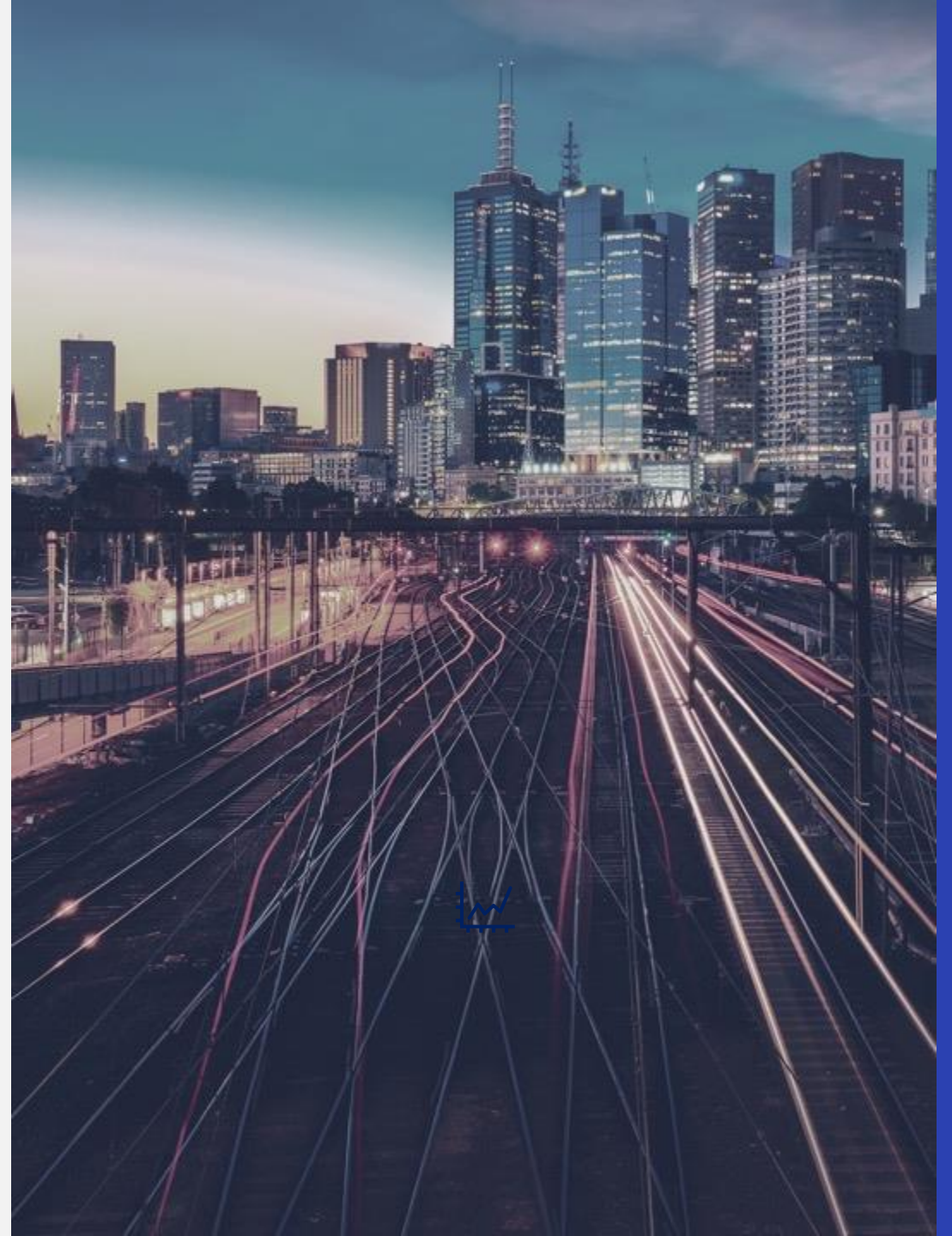
Generation Development Group

A compelling shareholder value
building model



Generation Development Group (ASX:GDG) is a licenced Pooled Development Fund (PDF) owning a recurring revenue producing life/investment income with a market capitalisation of \$94m and net cash of \$12m*

* As at 30 June 2020



Why Generation Development Group?



Sustained track record of delivering increased sales and FUM

Number one in inflows for two years running



Consistent NPAT growth underpinned by recurring revenue producing life/investment income



Resilient business model with “sticky FUM” even through market downturns



Track record of product innovation

Increased product features and investment options

Development of new tax effective options



Licensed PDF delivering tax-free capital gains on shares and tax exempt dividends



Capital light business model



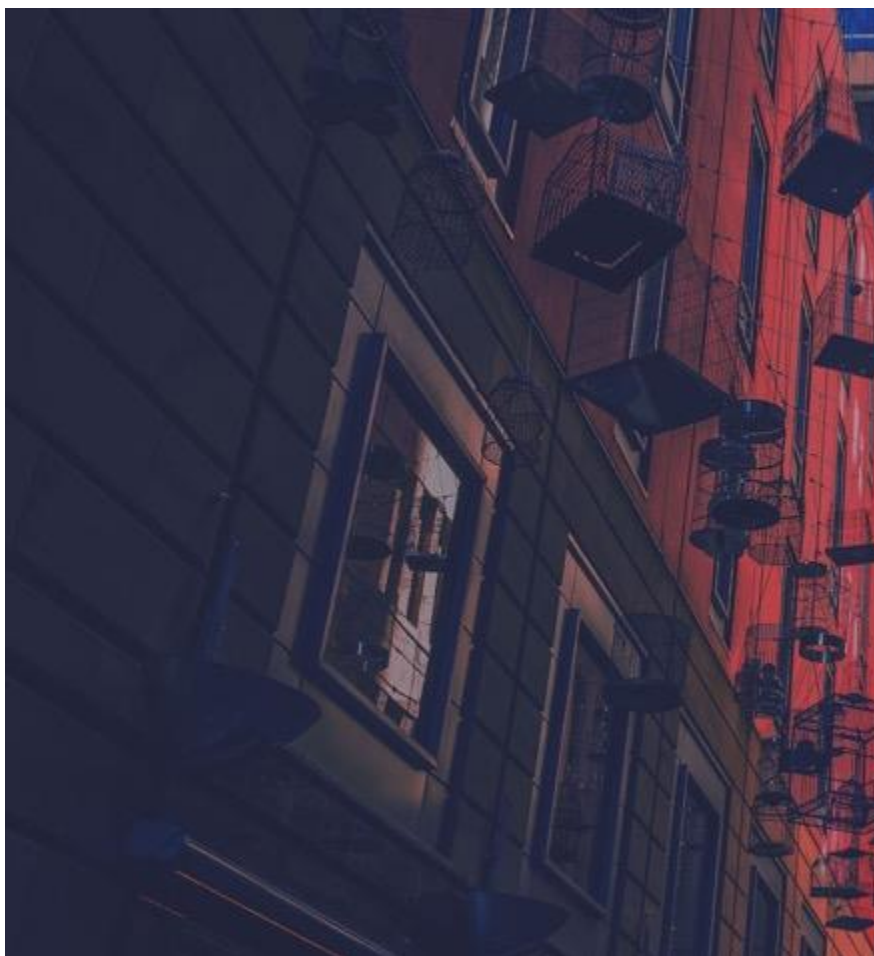
Positive sales outlook and active pursuit of investment opportunities



Well positioned for future growth in financial services

FY-20 Financial result summary

Generation Development Group



	FY20	FY19	Change	Change %
Revenue* (A\$'000)	19,900	15,860	4,040	25.5
Expenses** (A\$'000)	(17,084)	(13,610)	(3,474)	(25.5)
Underlying NPAT (A\$'000)	2,816	2,250	566	25.1
Underlying EPS (cps)	2.24	1.80	0.44	24.4
DPS (cps)	0.02	0.02	-	-
FUM (A\$'000)	1,295,000	1,073,000	222,000	20.7
Cash and cash equivalent*** (A\$'000)	11,677	13,701	(2,024)	(14.8)

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

** Underlying excluding Benefit Funds, Ascalon and non-recurring

*** Includes term deposits, excluding cash attributable to Benefit Funds

FY-20

Generation Life | Highlights & Key Performance Measures



Life Business FUM

\$1,295 m

Up 21%



Life Product Sales

\$332 m

Up 48%



Market share

38.1% of inflows

March quarter 2020

Plan for Life

Rolling 12 month average



APL's

420

Up 7%



Product rating

Highly Recommended
Zenith and Lonsec



Active Financial Advisers

1,220

Up 31%

Rolling 12 month average



New Bond Numbers

9,563

Up 64%



Saving Plans

\$35.8 m

Up 57%



49 investment options

Up 2%



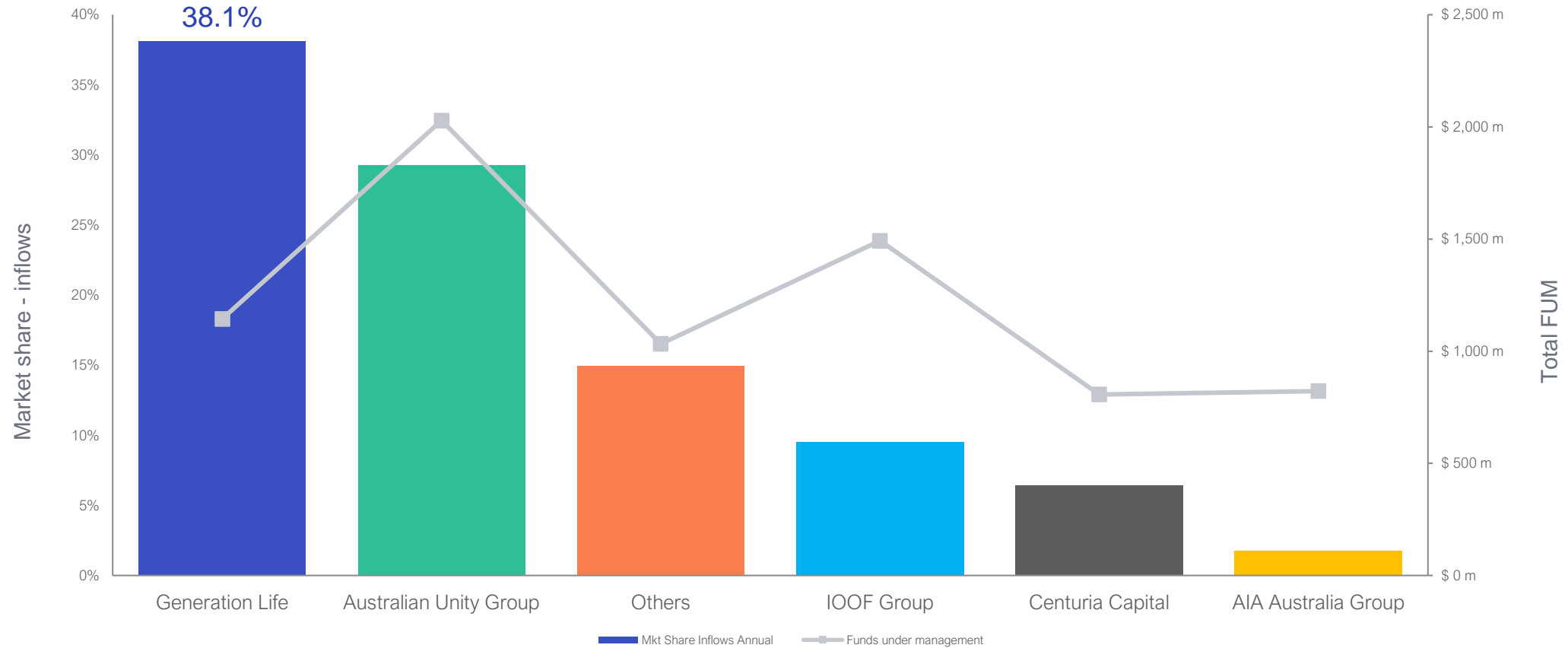
Average investment term

12.9 years

Rolling 2 year average

No.1 in inflows for two years running

Generation Life - 3rd in total FUM

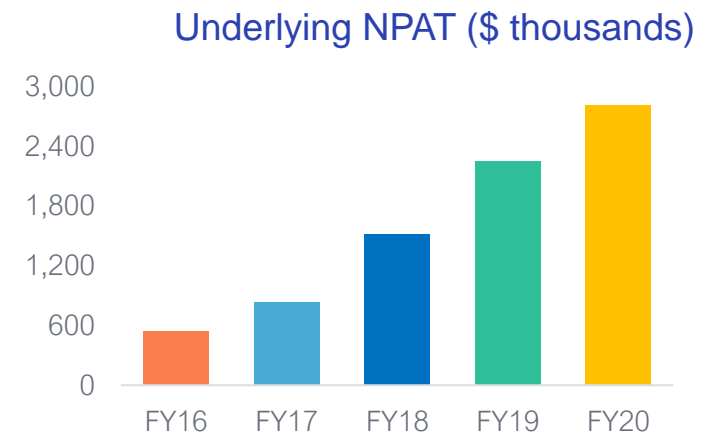
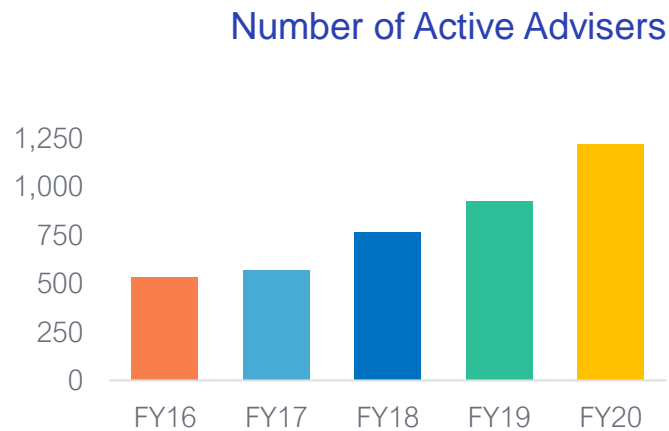
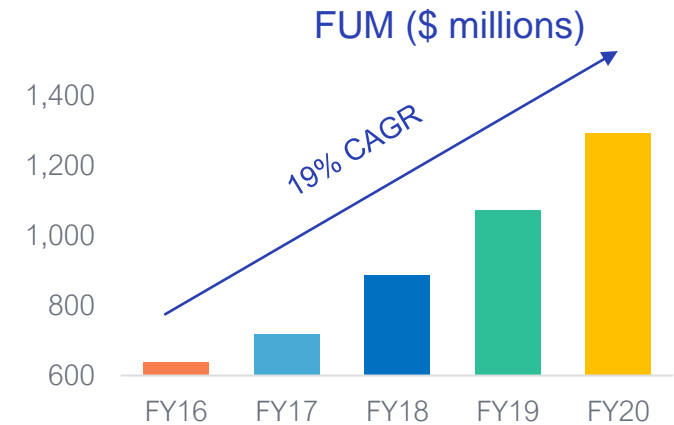
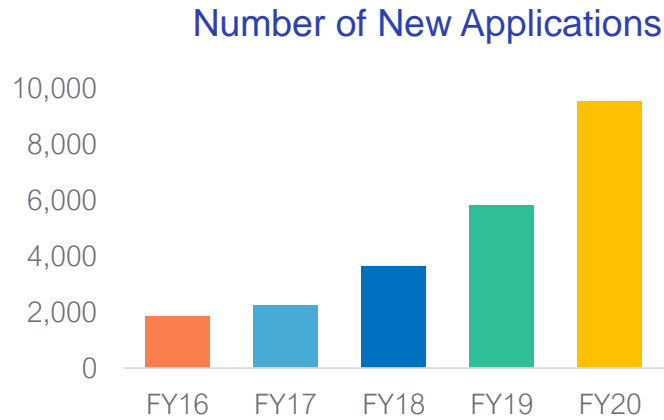
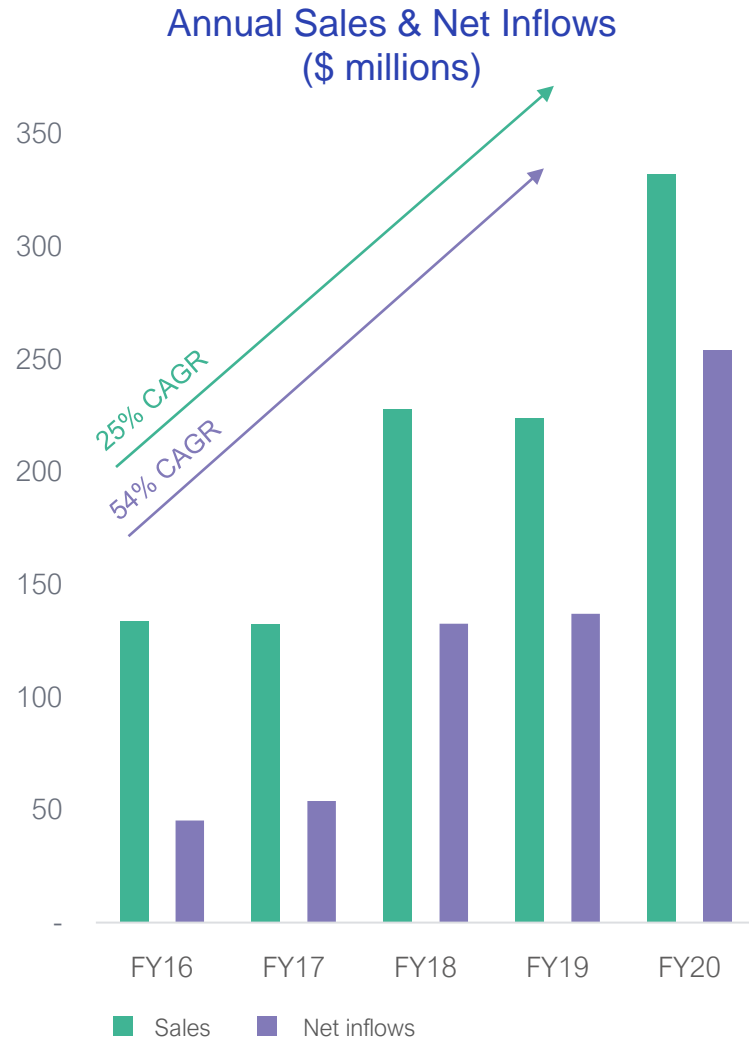


* Plan for Life – March 2020



Continued improvements in all key metrics

Generation Life



Outlook

Generation Development Group



Ongoing momentum of strong sales and FUM growth following record June FY20 quarter



Launch of a tax effective (under 10% tax rate) regular income product in FY21 targeting flows outside the traditional investment bond space



Product development continuing around longevity risk



Developing a capital light Ascalon Fund to take to market



Actively pursuing investment opportunities that are complementary or that are well positioned for future growth in the financial services sector



Deliver improvements to service standards, increase operational leverage and accelerate transition to mandates to improve after tax returns



Appendices



Possibilities beyond Managed Funds

Key features of Investment Bonds



Max tax rate of 30%



No distributions or limits on contributions and access to funds at any time



Tax paid after 10 years – tax advantages pre 10 years



125% advantage



Tax free transfers



No personal CGT on switching



No tax file number required



Creditor protection



Can be structured as a non-estate asset



5 core uses of Investment Bonds



Alternative to superannuation and managed funds
The most tax effective investment solution after super



Estate planning
Be in control of transferring wealth



Trusts
Reducing distributable income within trusts



Saving for a child
Meeting the rising costs of future generations



Government entitlement
Improving pension entitlements



Generation Life

Highly recommended for over a decade



49 investment options across all asset classes

- + Cash and term deposits
- + Australian fixed interest
- + International fixed interest
- + Australian shares
- + International shares
- + Property
- + Balanced
- + Alternatives



The only provider in the market to hold a “Highly Recommended” rating with both Lonsec and Zenith Investment Partners



Reconciliation of statutory profit to underlying earnings



	FY20	FY19	Change	Change %
Underlying net profit after tax (A\$'000)	2,816	2,250	566	25.1
Ascalon (net) operating costs (A\$'000)	(2,349)	(1,150)	(1,199)	(104.3)
Deferred tax on carry-forward losses (A\$'000)	(1,572)	891	(2,463)	(276.4)
Non-recurring items (net of applicable tax):				
Unsuccessful transaction costs	(456)	-		
Termination benefits (A\$'000)	(76)	-		
Ausdef remediation costs (A\$'000)	-	(68)		
Fixed assets impairments (A\$'000)	-	(534)		
Unsuccessful product development costs	-	(298)		
Net gain on Ascalon investment	-	4,195		
Statutory profit after tax (A\$'000)	(1,637)	5,286		



FUM Growth

	FY20 \$'m	FY19 \$'m	Change \$'m	Change %
Opening FUM	1,073	887	186	21.0
Sales inflow	332	224	108	48.2
Investment performance	(31)	48	(79)	(164.6)
Exits	(79)	(86)	7	8.1
Closing FUM	1,295	1,073	222	20.7

Thank you

This Results Pack has been authorised by the Board.

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