

# ASX Announcement

## Generation Development Group 1H FY22 Financial Results

28 February 2022

Generation Development Group (ASX:GDG) is pleased to announce its financial results for the half-year ended 31 December 2021.

### Highlights

<p>Underlying Net Profit After Tax Life / Administration Business</p> <p><b>\$3.3m</b></p> <p>Up 57% (1H FY21: \$2.1m)</p>	<p>Revenue</p> <p><b>\$17.5m</b></p> <p>Up 43% (1H FY21: \$12.3m)</p>	<p>Product Sales</p> <p><b>\$344.0m</b></p> <p>Up 107% (1H FY21: \$166m)</p>
<p>Active Advisers</p> <p><b>1,601</b></p> <p>Up 21% on PCP</p>	<p>Cash at hand</p> <p><b>\$18.5m</b></p> <p>as at 31 December 2021</p>	<p>Fully franked interim dividend</p> <p><b>1.0 cent</b></p> <p>per share</p>

GDG will host a live investor webinar this morning at 11.00am AEDT. To register for the webinar, please follow this link:

[https://us02web.zoom.us/webinar/register/WN\\_8UBiQyn5TNyPNeHewh1prg](https://us02web.zoom.us/webinar/register/WN_8UBiQyn5TNyPNeHewh1prg)

	1H FY22 (A\$'000)	1H FY21 (A\$'000)	Change (%)
Revenue*	17,504	12,262	43
Expenses*	(14,164)	(10,138)	(40)
<b>Underlying NPAT - Life / Administration business</b>	<b>3,340</b>	<b>2,124</b>	<b>57</b>
Income from Associates	952	337	182
Product development costs (net of tax)	(1,426)	(230)	(520)
<b>Underlying NPAT</b>	<b>2,866</b>	<b>2,231</b>	<b>28</b>

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

Generation Development Group has entrenched its position as a leader in the investment solutions market, with continued strong sales and financial performance in the first half of FY22. Sales inflows for the six months has more than doubled to \$344m coupled with underlying NPAT growth of 57% and FUM growth of 44% to \$2.1b. With a continued focus on enhancing our investment bond offering and the development of our investment-linked lifetime annuity nearing completion, our customer value proposition continues to go from strength to strength. The recent launch of a new and improved Adviser Online portal for financial advisers was also well-received, enhancing user experience across our business.

## **Financial**

Underlying Life / Administration business NPAT was \$3.3m, a significant increase of 57% from 1H FY21. This was on the back of strong FUM growth and revenue growth of 43% on PCP to \$17.5m as GDG recorded 45.2% of market inflows (for the 12-month period ended 30 September 2021), the highest share among industry peers, lifting GDG's overall market share to 20.2%<sup>1</sup>.

GDG ended the half-year with a healthy cash balance of \$18.5m and declared an interim dividend of 1cps for the period.

## **Operational**

GDG continued to develop across several key segments of the business: Approved Product Lists increased by 20% to 544, Active Financials Advisers grew by 21% to 1,601 and New Bond Numbers increased by 64% to 10,774 during the half-year.

GDG retained Highly Recommended ratings with both Zenith and Lonsec for its flagship investment bond offerings, and continues to be the only investment bond provider in the market to hold both ratings.

Lonsec, in which GDG has a 41% ownership stake, delivered 22% EBITDA growth and FUM within the Lonsec Investment Solutions business has increased 116% in the last 12 months and continues to gather momentum.

## **Generation Life investment-linked lifetime annuity product development**

Development of the investment-linked lifetime annuity is near completion, with launch on track for the second half of FY22, subject to regulatory approval.

Generation Life's investment-linked lifetime annuity will provide:

- income guaranteed for life
- investment choice and flexibility, and
- potential access to some or more social security entitlements.

## **GDG Outlook**

Subject to market conditions, GDG expects FY22 sales to materially exceed those of FY21. GDG is looking forward to launching its investment-linked lifetime annuity product this financial year.

<sup>1</sup> Plan for Life, Investment Bonds Market Report for period ended 30 September 2021.



**Outthinking today.**

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