

ASX Announcement

2022 financial year results

30 August 2022

Generation Development Group (ASX:GDG) is pleased to announce its financial results for the full year ended 30 June 2022.

Highlights

<p>Underlying Net Profit After Tax Life / Administration Business</p> <p>\$6.3m</p> <p>Increased by 57% (FY21: \$4.1m)</p>	<p>Revenue</p> <p>\$35.3m</p> <p>Increased by 35% (FY21: \$26.0m)</p>	<p>Product Sales</p> <p>\$639.0m</p> <p>Leader in market inflows with a 49% market share</p>
<p>Active Advisers</p> <p>1,698</p> <p>Increased by 11% on pcp</p>	<p>Cash at hand</p> <p>\$17.5m</p> <p>as at June 2022</p>	<p>Full year dividend</p> <p>2.0 cents</p> <p>Dividend paid per share</p>

	FY22 (A\$'000)	FY21 (A\$'000)	Change (%)
Revenue*	35,254	26,043	35
Expenses*	(28,912)	(21,993)	(31)
Underlying NPAT - Life / Administration business	6,342	4,050	57
Underlying income from Associates	2,048	580	253
Product development costs (net of tax)	(3,023)	(1,262)	(140)
Underlying NPAT	5,367	3,368	59

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

“Financial year 2022 has been a ground-breaking year for Generation Development Group. We achieved record investment bond sales of \$639m which eclipse prior year sales by almost 60%. Despite continued equity market volatility, we achieved NPAT growth of 57% for the underlying Generation Life investment bond business and increased our FUM by 20% to \$2.2bn. We also launched our investment-linked lifetime annuity product, LifeIncome in March of this year. While still in its infancy, we have received encouraging feedback from investors and financial advisers. Our investment in Lonsec, in which we hold a 41% interest, continues to surpass expectations with underlying earnings increasing 48%.”

Grant Hackett

Chief Executive Officer and Managing Director of Generation Life

Financial

Underlying Life / Administration business NPAT was \$6.3m, a significant increase of 57% from FY21. This was on the back of strong FUM growth and revenue growth of 35% on the prior corresponding period to \$35.3m as GDG recorded 49% of market inflows, the highest share among industry peers, lifting GDG's overall market share to 23%.

GDG continues to be well capitalised with a cash balance of \$17.5m and declared a final FY22 dividend of 1cps for the period.

Operational

GDG continued to develop across several key segments of the business: Approved Product Lists increased by 8% to 546, Active Financial Advisers grew by 11% to 1,689 and new Bond numbers increased by 44% to 21,002 in FY22.

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

Lonsec, in which GDG has a 41% equity interest, delivered 24% and 48% underlying EBITDA and NPAT growth, and continues to exceed expectations. They are well entrenched on executing on their 3-year accelerated growth strategy which commenced in the beginning of FY22. They also announced the acquisition of Implemented Portfolios Limited in July 2022, which extends their access to self-managed accounts to a new market which comprise of high net wealth individuals and affluent retail clients.

LifeIncome

GDG launched our investment-linked lifetime annuity product, LifeIncome in March of this year. LifeIncome combines the value of investment returns and provides income guaranteed for life. It also provides investors with the ability to switch between investment options and construct different portfolios at any time. Pleasingly, LifeIncome received a 4-star rating from research investment house SQM, enabling access to 73 dealer groups and a potential pool of over 4,000 financial advisers.

GDG Outlook

We have had a good start to sales in FY23. Subject to relatively stable market conditions, we remain very positive on continuing to grow our overall sales result throughout the financial year. LifeIncome has been building in momentum and we continue to see sales above expectations. Our distribution team have presented live to over 2,000 financial advisers over the past 3 months, and we believe this high level of activity has generated significant interest in both our Investment Bond and Lifetime Annuity products.

Lonsec will continue to execute on its accelerated growth plan. In addition to increasing its Research product coverage to include opportunities in the environmental, social and corporate governance space, Lonsec will focus on integrating the Implemented Portfolio Limited business and continue to grow its overall funds under management.

Results Webinar

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

Date	Tuesday, 30 August 2022
Time	2:00pm (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_aqRfFYogQ6qm1kesKBSCBw

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.

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