

FY25 Guidance re-stated for new reporting segments and FY24 Pro Forma Segment Detail

Overview

- No change to FY25 Group Net Revenue margin and Operating Expense guidance provided in August 2024
- Changes to segment Net Revenue margin guidance to reflect new operating segment structure
- FY24 Pro Forma segment revenue has been updated for these changes, while FY24 pro forma operating expenses are included for the first time

FY24 Pro Forma Financial Information – Operating Segment Changes

In July 2024, Insignia Financial announced changes to its operating segments to align with its new operating model. The following FY24 pro forma financial information represents the new reporting structure and reflects the go forward methodology for allocating revenue and operating expenses to the segments. Key changes to the previous segment structure include:

- The allocation of revenue and operating expenses from the former Platforms segment across the new Master Trust and Wrap segments.
- Simplifying the Advice segment to include only the Shadforth and Bridges businesses that generate Adviser Service Fees (ASF) by:
 - allocating non-ASF revenue to the Wrap segment
 - allocating other legacy Advice revenue (comprising largely of insurance related revenue) to the Corporate segment; and
 - allocating expenses to Advice on commercial rates that are comparable in the external market.
- Rhombus and Advice Divestments impacts (both profit and gains on sale) have been allocated to the Corporate segment, and separately disclosed to provide clarity on impacts to Insignia Financial. The stranded costs related to Rhombus and Advice divestments are excluded from these impacts, and will be addressed through the Cost Optimisation program.
- Expense allocations have been refined to better reflect the resources and complexity driven by each segment.

A detailed reconciliation of pro forma revenue and expenses has been provided in the appendix.

FY24 Pro forma¹ Financials

FY24 pro forma ¹	Master Trust	Wrap	Asset Mgt	Advice	Corporate	
					Corporate – Other ²	Rhombus & Divested ³
Revenue (\$m)	693.5	275.3	210.0	150.0	17.5	46.5
Operating Expenses (\$m)	(472.8)	(174.3)	(118.6)	(120.0)	(96.7)	(29.1)
EBITDA (\$m)	220.7	101.0	91.4	30.0	(79.2)	17.4
UNPAT (\$m)	153.4	65.4	64.1	15.6	(94.9)	13.0
Net Revenue Margin (bps)	56.3	30.4	24.0	n/a	n/a	n/a

FUMA Reporting

Changes to FUMA reporting to align with the new operating model and segment changes were introduced in the 1Q25 Business Update in October 2024. A reconciliation of FY24 Platforms FUA and flows to the new reporting structure, as well as a breakdown of the new reporting channels is provided on the following page.

Reconciliation of FY24 Platforms FUA to new segment and channel view:

		Previous Segment / Channel View					
		Net flows	Platforms FUA	Workplace FUA	Personal FUA	Advised FUA	Closed / Transition FUA
New Segment / Channel View	Master Trust	(2,221)	127,558	55,427	30,526	38,868	2,737
	Workplace	1,084	55,428	55,427	-	-	1
	Advised	(1,862)	35,644	-	-	35,424	220
	Direct	274	5,309	-	5,309	-	-
	Personal	(1,061)	25,217	-	25,217	-	-
	Investments (non-super)	(656)	5,960	-	-	3,444	2,516
	Wrap	749	94,425	3,814	7,471	79,785	3,355
	Adviser	(280)	74,884	-	-	74,884	-
	Workplace	181	9,830	3,814	6,016	-	-
	Platform Connect	848	9,711	-	1,455	4,901	3,355
Total FUA		(1,472)	221,983	59,241	37,997	118,653	6,092

¹ FY24 pro forma financials have been reviewed by KPMG, but not audited.

² Includes Rhombus and Advice divestment stranded costs, excludes impacts of Advice divestment gains.

³ Includes Rhombus Advisory, Godfrey Pembroke, Millennium3, general insurance business and corresponding impacts of divestments; and represents items that will not be recurring in FY25.

Detail of new reporting channels:

Channel	Description	Products
Master Trust (Superannuation)		
Workplace	Superannuation provided through employer partnerships	Plum Corporate, Masterkey Business Super, Smart Choice Employer, ANZ Super Advantage
Advised	Superannuation and pension products distributed through advisers	OneAnswer Frontier and Legacy, Masterkey Super and Pension, Optimix Super
Direct	Direct member acquisition channel and engagement model	Smart Choice Retail
Personal	Previously employer-sponsored members	Plum Personal, Plum retirement income and Masterkey Personal Super
Investment / Other	Non-superannuation investment master trusts	All Master Trust investment variants, legacy P&I (investment bonds)
Wrap		
Workplace	Wrap superannuation offering provided through employer partnerships	IOOF Employer Super, IOOF Personal Super and Pension
Advised	Adviser investment, administration, reporting and workflow technology platform	Expand Essential, Extra Super and IDPS, Shadforth Portfolio Service Super and IDPS
Platform Connect	White labelled platform offering	Rhythm, Grow and Oasis (Super & IDPS); and Bendigo Super

FY25 Guidance Update

Insignia Financial reaffirms the FY25 Group Net Revenue margin guidance of 42.5 bps – 43.3 bps and FY25 Operating Expense guidance of \$947 million - \$952 million, provided in its FY24 Results Presentation on 22 August 2024.

FY25 Net Revenue guidance has been revised at the segment level, to reflect changes in revenue allocations under the new operating segment structure.

	Re-stated FY25 Guidance⁴ <i>(previous guidance shown in brackets as applicable)</i>	Notes
Group Net Revenue margin	42.5 bps – 43.3 bps	No change
Segment Net Revenue		
1. Master Trust Net Revenue margin	54.5 bps – 55.2 bps	No change
2. Wrap Net Revenue margin	28.7 bps – 29.5 bps <i>(28.0 bps – 28.7 bps)</i>	Adjusted for transfer in of non-Advice services revenue
3. Asset Management Net Revenue margin	23.0 bps – 23.5 bps	No change
4. Advice Net Revenue	~\$150m <i>(~\$175m)</i>	Adjusted to include only Advice service fee revenue
5. Corporate – Other Net Revenue	Decline of \$5 - 10m <i>(Decline of ~\$15m)</i>	
Group Opex	\$947 – 952m	No change
Strategic Investment	\$142 – 167m	No change

This announcement was approved for release by the Board of Directors of Insignia Financial Ltd.

⁴ Reflects revisions to align with segment revenue reallocations.

Appendix: FY24 Net Revenue and Expense pro forma reconciliations

FY24 Net Revenue pro forma reconciliation

Net Revenue (\$m)	FY24 Reported Segment	Platforms re - allocation	Advice Legacy & non ASF	Rhombus & Divested	Advice gains on sale	FY24 New Segment
Platforms	961.5	(961.5)	-	-	-	-
Master Trust	-	693.5	-	-	-	693.5
Wrap	-	268.0	7.3	-	-	275.3
Asset Management	210.0	-	-	-	-	210.0
Advice	205.7	-	(22.0)	(33.7)	-	150.0
Corporate	15.6	-	14.7	33.7	-	64.0
Corporate - Other	15.6	-	14.7	-	(12.8)	17.5
Rhombus & Divested	-	-	-	33.7	12.8	46.5
Total	1,392.8	-	-	-	-	1,392.8

FY24 Expense pro forma reconciliation

Expenses (\$m)	FY24 Reported Segment	Expense updates	Advice Legacy & non ASF	Rhombus & Divested	FY24 New Segment
Platforms	622.3	(622.3)	-	-	-
Master Trust	-	472.8	-	-	472.8
Wrap	-	169.3	5.0	-	174.3
Asset Management	118.6	-	-	-	118.6
Advice	202.6	(11.4)	(8.0)	(63.2)	120.0
Corporate	68.0	(8.4)	3.0	63.2	125.8
Corporate - Other	68.0	(8.4)	3.0	34.1 ⁵	96.7
Rhombus & Divested	-	-	-	29.1	29.1
Total	1,011.5	-	-	-	1,011.5

⁵ Rhombus and advice divestments stranded costs will be addressed through Cost Optimisation.

About Insignia Financial Ltd

With origins dating back to 1846, today the Insignia Financial Group is a leading Australian wealth manager. Insignia Financial Ltd provides financial advice, superannuation, wrap platforms and asset management services to members, financial advisers and corporate employers.

Further information can be found at www.insigniafinancial.com.au.

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