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MAGELLAN FINANCIAL GROUP LTD

CHANGES TO SEGMENT REPORTING STRUCTURE

Magellan Financial Group Ltd ("**MFG**") is pleased to announce changes to its segment reporting structure, effective from FY25. MFG has updated its Operating Profit disclosure (currently referred to as 'Adjusted NPAT') and the segment presentation to better reflect earnings from its core business activities. The relevant changes are summarised below and will be reflected in future investor reporting and disclosures.

Operating profit

MFG's operating profit is statutory net profit after tax adjusted for strategic, non-recurring, non-cash or unrealised items. From FY25, Operating Profit will also be adjusted to:

- (i) exclude both unrealised and realised fair value movements on fund investments (previously only unrealised fair value movements were adjusted to reconcile Operating Profit with statutory net profit for the period); and
- (ii) exclude deferred tax on undistributed Associate profits.

Segment presentation

The Segment presentation has been adjusted to:

- (i) disclose 'Sub-advisory and distribution fees' separately from 'Other Expenses' as an offset to 'Management fees'; and
- (ii) combine the 'Fund Investments' and 'Associate Investments' segments into a single 'Partnerships and Investments' segment.

MFG's FY25 results and financial reporting suite will be released on 20 August 2025. To assist investors ahead of this release, the Appendix to this announcement sets out the reclassified historical financial information for the financial year ended 30 June 2024 ("**FY24**") and half year ended 31 December 2024 ("**1H25**").

The impact of the reclassification is limited to the Segment Operating Profit. There are no changes to historical Statutory Profit results.

Authorised by Emilie Cameron | Company Secretary

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About MFG

Magellan Financial Group Ltd is a specialist financial services business established in 2006 and based in Sydney, Australia. MFG's core operating subsidiary, Magellan Asset Management Limited, manages approximately \$39.6 billion of assets as at 30 June 2025 across global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs approximately 110 staff globally. MFG also has strategic partnerships and investments in Barrenjoey Capital Partners, Vinva Investment Management and FinClear. MFG is listed on the Australian Securities Exchange (ASX Code: MFG). Further information can be obtained from www.magellangroup.com.au.

Appendix

Changes to segment reporting structure

Historical reclassification

4 July 2025



MAGELLAN

Overview of reclassified segment reporting

Statement of Profit or Loss (\$'000)	FY24	1H25
Management fees	256,748	121,048
Performance fees	19,206	6,109
Services and advisory fees	2,395	1,011
Client revenue	278,349	128,168
Less: sub-advisory and distribution fees	-	(1)
Net client revenue	278,349	128,167
Share of associate profit	10,295	12,313
Dividends and distributions	13,628	23,171
Interest income	15,554	5,213
FX gain/(loss)	82	1,205
Operating expenses	(106,851)	(53,372)
Operating profit before tax	211,057	116,696
Income tax expense	(59,561)	(33,308)
Operating profit after tax	151,496	83,388
<i>Reconciliation of segment operating profit after tax to statutory net profit after tax</i>		
Segment operating profit after tax	151,496	83,388
<i>Add back:</i>		
Net change in fair value of financial assets and liabilities	68,027	20,368
Amortisation of intangible assets	(1,408)	(698)
Net non-cash remeasurement of share purchase loans	1,672	(43)
Non-cash employee option expense	(3,137)	(570)
Deferred tax on undistributed associate profit	663	(948)
Net gain/(loss) on dilutions and disposals of associates	77	(1,706)
Net benefit/(expense) related to Magellan Global Fund options	61,063	-
Transaction costs related to strategic initiatives	-	(428)
Income tax on above adjustments	(39,694)	(5,357)
Statutory net profit after tax for the period	238,759	94,006

Client revenue: comprises management, performance, services and advisory fees

Net client revenue: only includes client revenue items, net of sub-advisory and distribution fees paid third parties

Income tax expenses: excludes deferred tax on the undistributed share of profit from associates

Net change in fair value of financial assets and liabilities: includes realised and unrealised fair value movements from investments

Deferred tax on undistributed associate profit: reflects deferred tax recognised by the Group on the undistributed share of associate profit

Summary of changes in the reporting structure

Historical presentation	New presentation	1H25		FY24	
		As reported	Reclassified	As reported	Reclassified
		\$'000	\$'000	\$'000	\$'000
Management fees	Management fees	121,048	121,048	256,748	256,748
Performance fees	Performance fees	6,109	6,109	19,206	19,206
Services fees	Services and advisory fees	1	600	1,200	2,395
-	Client revenue		128,168		278,349
Advisory fees	-	1	411	1,195	
Realised changes in fair value of assets and liabilities	-	2	2,186	38,071	
Dividends and distributions	-		23,171	13,628	
Interest income	-		5,213	15,554	
FX gain/(loss)	-		1,205	82	
Other revenue and income	-		32,186	68,530	
-	Less: sub-advisory and distribution fees	3	(1)		-
Adjusted revenue and other income	Net client revenue	159,943	128,167	345,684	278,349
-	Dividends and distributions		23,171		13,628
-	Interest income		5,213		15,554
-	FX gain/(loss)		1,205		82
Share of after tax profit/(loss) of associates	Share of associate profit	4	11,365	10,958	10,295
Sub-advisory and distribution fees	-	3	(1)	-	
Other operating expenses	Operating expenses		(53,373)	(106,851)	(106,851)
Adjusted expenses	-		(53,374)	(106,851)	
Adjusted tax expense	Tax expense	4	(33,851)	(71,926)	(59,561)
Adjusted net profit after tax	Operating profit after tax	84,083	83,388	177,865	151,496
Net unrealised change in fair value of financial assets and liabilities	Net change in fair value of financial assets and liabilities	2	12,727	20,969	68,027
Amortisation of intangible assets	Amortisation of intangible assets		(698)	(1,408)	(1,408)
Net non-cash remeasurement of share purchase loans	Net non-cash remeasurement of share purchase loans		(43)	1,672	1,672
Non-cash employee option expense	Non-cash employee option expense		(570)	(3,137)	(3,137)
-	Deferred tax on undistributed associate profit	4	(948)		663
Net gain/(loss) on dilutions and disposals of associates	Net gain/(loss) on dilutions and disposals of associates		(1,194)	54	77
Net benefit/(expense) related to Magellan Global Fund options	Net benefit/(expense) related to Magellan Global Fund options		-	42,744	61,063
Transaction costs related to strategic initiatives	Transaction costs related to strategic initiatives		(299)	-	-
-	Tax on above adjustments	5	(5,357)		(39,694)
Total non-operating adjustments	Total non-operating adjustments	9,923	10,618	60,894	87,263
Statutory net profit after tax	Statutory net profit after tax	94,006	94,006	238,759	238,759

	Reclassification notes
1	Advisory fees previously included in 'other revenue and income' are now presented together with services fees.
2	Realised fair value gains/losses previously included in adjusted revenue are now treated as a 'non-operating adjustment' and excluded from operating profit together with unrealised fair value changes.
3	Sub-advisory and distribution fees previously included within 'adjusted expenses' are now presented within 'net client revenue'.
4	Deferred tax recognised by the Group in respect of the undistributed share of associate profit is now excluded from operating profit until the associate profit is distributed and the tax outcome is crystallised.
5	Non-operating adjustments previously presented on a net of tax basis.

New detailed reporting structure – 1H25

31 December 2024 (\$'000)	Investment Management	Investments & Partnerships	Corporate	Total
Management fees	121,048	-	-	121,048
Performance fees	6,109	-	-	6,109
Services and advisory fees	1,011	-	-	1,011
Client revenue	128,168	-	-	128,168
Less: sub-advisory and distribution fees	(1)	-	-	(1)
Net client revenue	128,167	-	-	128,167
Share of associate profit	-	12,313	-	12,313
Dividends and distributions	-	23,171	-	23,171
Interest income	402	75	4,736	5,213
FX gain/(loss)	1,258	(54)	1	1,205
Employee expenses	(34,510)	-	(33)	(34,543)
Other operating expenses	(17,070)	(34)	(1,726)	(18,830)
Operating profit before tax	78,247	35,471	2,978	116,696
Income tax expense	(24,289)	(8,164)	(855)	(33,308)
Operating profit after tax	53,958	27,307	2,123	83,388

Reconciliation of segment operating profit after tax to statutory net profit after tax

Segment operating profit after tax	83,388
<i>Add back:</i>	
Net change in fair value of financial assets and liabilities	20,368
Amortisation of intangible assets	(698)
Net non-cash remeasurement of share purchase loans	(43)
Non-cash employee option expense	(570)
Deferred tax on undistributed associate profit	(948)
Net gain/(loss) on dilutions and disposals of associates	(1,706)
Transaction costs related to strategic initiatives	(428)
Income tax on above adjustments	(5,357)
Statutory net profit after tax for the period	94,006

New detailed reporting structure – FY24

30 June 2024 (\$'000)	Investment Management	Investments & Partnerships	Corporate	Total
Management fees	256,748	-	-	256,748
Performance fees	19,206	-	-	19,206
Services and advisory fees	2,395	-	-	2,395
Client revenue	278,349	-	-	278,349
Less: sub-advisory and distribution fees	-	-	-	-
Net client revenue	278,349	-	-	278,349
Share of associate profit	-	10,295	-	10,295
Dividends and distributions	36	13,592	-	13,628
Interest income	1,466	113	13,975	15,554
FX gain/(loss)	79	5	(2)	82
Employee expenses	(68,656)	-	(85)	(68,741)
Other operating expenses	(33,754)	(73)	(4,283)	(38,110)
Operating profit before tax	177,520	23,932	9,605	211,057
Income tax expense	(53,561)	(4,090)	(1,910)	(59,561)
Operating profit after tax	123,960	19,842	7,694	151,496

Reconciliation of segment operating profit after tax to statutory net profit after tax

Segment operating profit after tax	151,496
Add back:	
Net change in fair value of financial assets and liabilities	68,027
Amortisation of intangible assets	(1,408)
Net non-cash remeasurement of share purchase loans	1,672
Non-cash employee option expense	(3,137)
Deferred tax on undistributed associate profit	663
Net gain/(loss) on dilutions and disposals of associates	77
Net benefit/(expense) related to Magellan Global Fund options	61,063
Income tax on above adjustments	(39,694)
Statutory net profit after tax for the period	238,759

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