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Generation Development (GDG)

From little things, big things grow

Recommendation
Buy (Initiation)
Price
$7.11
Target (12 months)
$8.20 (Initiation)

Sector

Diversified Financials

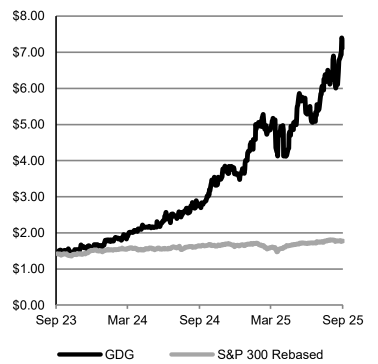
Expected Return	
Capital growth	**15.3%**
Dividend yield	**0.3%**
Total expected return	**15.6%**

Company Data & Ratios	
Enterprise value	**$2,648m**
Market cap	**$2,821m**
Issued capital	**396.8m**
Free float	**86%**
Avg. daily val. (52wk)	**$8.8m**
12 month price range	**$2.66-$7.40**

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	6.27	5.68	2.75
Absolute (%)	13.7	25.5	159.0
Rel market (%)	14.6	22.1	150.4

Absolute Price



SOURCE: IRESS

Company background

Generation Development Group (GDG) is a financial services company that provides a range of tax-effective investment solutions, annuities, managed accounts and research services. GDG reported a transformative FY25 result with NPAT up +500% on the pcp to $30.2m, reflecting the full benefit of Lonsec and partial year earnings from Evidentia. Integration advanced well with EBITDA margins being the highlight of the result. Other than that, the heritage business continues to deliver with +26% pa compound growth in funds under management since FY19 to exceed $4.4bn. Whilst this is a mature and small market, what has changed is the legislative environment. If passed into law, the current proposed tax would levy an additional 15% on earnings from superannuation balances over $3m. This is creating greater product awareness and sales momentum for GDG. We believe that incremental flows from superannuation could be a $300bn opportunity; and see potential for strong results to come. GDG has made significant inroads as a business over the last decade, accelerating in the LTM. The recent $25m minority investment from BlackRock is supportive of our view that commercial success in the retirement or decumulation market could be radical. This is a long-term interest with seed capital locked up for 5-years – set to fund a product launch targeted for the coming year. This is BlackRock's first strategic balance sheet investment in Australia.

Managed accounts the crown jewel

GDG principally operates an asset-based fee model, built on parallels driving success in other wealth management companies. Key components include strong inflows, low outflows and market appreciation. The main drivers of growth will come from capturing an outsized share of the managed accounts market, which is expected to double shy of $500bn by FY30E. Lonsec has a successful track record in a fragmented market. Consolidating Evidentia, GDG holds leading market share of 10%. We expect margin expansion through acquisition cost synergies and scale, helped by FUA conversions.

Investment view: Initiate coverage with a Buy; $8.20/sh

We initiate coverage on GDG with a Buy rating and $8.20/sh target. GDG screens well with significant growth runway, trading on a PEG -10% below tech and financial peers.

Earnings Forecast

Year Ending 30 June	2025	2026e	2027e	2028e
Sales ($m)	127.6	178.9	216.1	253.5
EBITDA (Underlying) ($m)	39.4	54.9	73.4	91.6
NPAT (Reported) ($m)	38.2	32.0	48.7	64.2
NPAT (Adjusted) ($m)	30.2	42.0	58.0	72.8
EPS (Adjusted) (¢ps)	9.1	10.7	14.8	18.5
EPS Growth (%)	331.5%	17.3%	38.2%	25.6%
PER (x)	78.1	66.6	48.2	38.3
EV/EBITDA (x)	66.5	47.7	35.7	28.6
FCF Yield (%)	0.7%	1.7%	2.1%	2.6%
Dividend (¢ps)	2.0	2.0	2.0	2.0
Yield (%)	0.3%	0.3%	0.3%	0.3%
Franking (%)	100.0%	100.0%	100.0%	100.0%
ROE (%)	10.0%	8.9%	11.6%	13.5%

SOURCE: BELL POTTER SECURITIES ESTIMATES

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Investment Thesis

Investment Thesis

We initiate coverage on GDG with a Buy rating. Our thesis is supported by:

Strong market positions: GDG is a leading player in the investment bonds sector, having completed IT upgrades and developed innovative, break-out products in a conventionally dormant market. Sales inflows have grown at a 5-year CAGR of +17% driven by additional features and improved brand architecture. Outsized share wins have contributed a further +6% pa over the same timeframe. Following consolidation, GDG offers managed account solutions, which is a market that is expected to grow by +$40bn pa to $474bn by FY30E.

Incentivised growth: GDG's long-term executive framework includes a performance right component. Vesting in FY28E is subject to a TSR of +200% over the index, and an annual EPS growth hurdle of +27.5%. The latter is broadly in-line with our forecasts, which implies vesting at 97%. The FY21 performance rights grant successfully vested at 100% in FY25.

Low customer churn: Investment bonds encourage regular contributions, and when held for a period of 10-years, no personal income tax is assessable. Withdrawals as a percent of FUM were 6% in FY25. This equates to an average investment term of 16-years. Future event planning has also supported book growth while improving duration.

Low market dependency: GDG is still in the early stage of expanding its investment bond offering and converting active advisers, with future growth expected to be principally inflow driven, in-line with historical trends. Since FY20, FUM growth has been +80% net flow led. Having said that, an average investment performance of +6% pa helps to de-risk revenue growth in the absence of new client/adviser wins.

Pricing power: GDG has delivered consistent Life revenue margins of 110-120bps, while Lonsec SuperRatings achieved +5% annual price increases from FY21-25, highlighting the strong value proposition, and expanding ARPU opportunity for research and ratings.

Recurring revenue: GDG principally operates an asset-based fee model and earns highly predictable revenue, generated from ongoing management and administration fees.

Strong distribution: GDG distributes investment bonds through established networks. Life has experienced compound adviser growth of +18% pa driven by increased marketing and acquisition efforts from FY20-25. There remains a material opportunity to increase adviser touchpoints, with the company currently engaging 17% of industry professionals.

Strong investment returns: Lonsec's flagship portfolio has delivered top quartile returns.

Highly scalable: We model +27% compound EPS growth from FY25-28E driven by strong top-line growth and benefits of scale. In particular, company guidance for Evidentia implies run-rate EBITDA margins of 63.4% from FY26E. Excluding tax benefits, we forecast Group EBITDA margins of 36.1% in FY28E vs. 30.9% in FY25.

Compelling valuation: GDG is currently trading on a PEG that is -10% below similar Rule of 40 tech and financial services peers. To that end, the valuation screens well. GDG has a significant growth runway based on its managed accounts market share of 10% and record 73% of investment bond market inflows in 2Q25.

Institutional support: Evidenced by BlackRock's $25m minority investment and strategic alliance from May'25. This is the first time BlackRock has made a strategic balance sheet investment into an Australian business Commercial success in annuities is not yet factored into our numbers given cumulative losses of $17.5m.

M&A opportunities: Outlook comments indicate GDG will continue to evaluate inorganic growth targets. The top five managed account providers accounted for 20% of the market. There are low barriers to entry and high switching costs. Breaking above $3bn requires an edge in product, tech or operations with established adviser relationships.

Valuation

We initiate coverage on GDG with a Buy recommendation and 12-month $8.20/sh target price. Our valuation incorporates a blended (50-50) DCF (WACC 9.9%; TGR 6.0%) and multiple (43x time-weighted FY26/27E EBITDA) based valuation methodology.

DCF ($9.19/sh): Our DCF is the primary valuation tool. We forecast high growth in positive free cash flows from FY25-35E, reflecting good conversion from the asset-based revenue model. Our DCF considers 10-year forecasts discounted at the weighted average cost of capital using a levered equity beta of 0.94. Our net cash is after restricted sources or uses.

Figure 1 - GDG discounted cashflow approach

Financial Year	**FY26e**	**FY27e**	**FY28e**	**FY29e**	**FY30e**	**FY31e**	**FY32e**	**FY33e**	**FY34e**	**FY35e**
As at 22-Sep-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35
EBITDA	**54.9**	**73.4**	**91.6**	**112.6**	**136.1**	**162.8**	**193.9**	**230.0**	**272.0**	**321.1**
Change in working capital	4.2	0.0	0.2	0.1	0.0	(0.1)	(0.2)	(0.4)	(0.6)	(0.8)
Change in provisions	3.2	2.0	2.0	2.3	2.5	2.9	3.3	3.8	4.4	5.1
Interest expense	(2.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Tax (net of Life benefit)	(0.1)	(3.5)	(6.1)	(9.3)	(12.8)	(17.0)	(22.0)	(28.1)	(35.3)	(44.3)
Other (annuity business costs)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
Operating cashflow	**55.3**	**67.0**	**82.8**	**100.8**	**120.9**	**143.7**	**170.1**	**200.5**	**235.6**	**276.3**
AASB 16 leases	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Lease adjusted OCF	**53.5**	**65.2**	**81.0**	**99.1**	**119.1**	**142.0**	**168.3**	**198.7**	**233.8**	**274.5**
Capex	(6.5)	(7.0)	(8.0)	(9.8)	(11.6)	(14.6)	(18.1)	(21.6)	(25.1)	(29.6)
Free cashflow	**47.0**	**58.2**	**73.0**	**89.3**	**107.5**	**127.4**	**150.2**	**177.1**	**208.7**	**244.9**
Discount rate	*1.000*	*0.911*	*0.829*	*0.755*	*0.688*	*0.627*	*0.571*	*0.520*	*0.473*	*0.431*
NPV of cashflows	47.0	53.0	60.6	67.4	74.0	79.8	85.7	92.0	98.8	105.6
Terminal growth rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Terminal value	2,776.0									
Total operational NPV	**3,539.9**									
Net debt/(cash)	(71.2)									
Equity value	**3,611.1**									
Shares on issue (m) (diluted)	392.8									
Equity value p/s ($)	**9.19**									

SOURCE: BELL POTTER SECURITIES ESTIMATES

SOTP ($7.22/sh): Our blended 43x EBITDA multiple reflects the stronger Rule of 40 score than tech and financial services peers. We have incorporated the following in our valuation work: 1) 50x EBITDA for Life and Evidentia, given the leading market position, favourable tax environment and structural tailwinds; 2) 40x EBITDA for Lonsec, consistent with trading multiples relative to its revenue growth and EBITDA margins; 3) NPV for tax benefits from Life; 4) NPV for annuity losses, reflecting the opportunity cost of capital; and 5) added back surplus franking credits.

Figure 2 - GDG sum-of-the-parts valuation approach

	EBITDA (A$m)		**Multiple (x)**		**Valuation (A$m)**	
Financial Year	**FY26e**	**FY27e**	**FY26e**	**FY27e**	**FY26e**	**FY27e**
As at 22-Sep-25	Jun-26	Jun-27	Jun-26	Jun-27	Jun-26	Jun-27
Generation Life	(2.1)	1.3	50.0	50.0	(102.6)	64.3
Lonsec	36.9	44.2	40.0	40.0	1,476.1	1,766.5
Evidentia	20.0	27.9	50.0	50.0	1,000.9	1,396.7
Enterprise Value	**54.9**	**73.4**	**43.3**	**44.0**	**2,374.4**	**3,227.5**
Net debt/(cash)					(71.2)	(121.6)
Tax benefit					104.8	125.8
Annuity business losses					26.6	26.6
Surplus franking credits					40.0	60.4
Implied equity value					**2,616.9**	**3,561.9**
Shares on issue (m) (diluted)					392.8	392.8
Equity value p/s ($)					6.66	9.07
Time weighted price target (p/s)					**7.22**	

SOURCE: BELL POTTER SECURITIES ESTIMATES

We establish a blended (50-50) weighting of our 10-year DCF and EBITDA multiple based models to estimate an equity valuation of $8.20/sh, implying 15.3% upside to close.

Figure 3 - GDG blended valuation

Methodology	**/sh ($)**
DCF	4.60
SOTP	3.61
50/50 blended	**8.20**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Risks

Key downside risks (-) include but are not limited to:

Economic risk: Operating and financial performance of GDG is influenced by a number of market variables including, domestic and international economic conditions, performance of equity and debt capital markets, interest rates, foreign exchange rates, and government fiscal, monetary and other policies. An overall decline in these variables would be negative.

Brand and reputational risk: The growth strategy and operation of GDG is highly reliant on attracting and retaining financial intermediaries and clients. Any changes to the installed base may adversely affect distribution, earnings and reputation.

Education risk: Investment bonds still remain a niche of retail managed investments, well below the capital invested in superannuation and traditional managed funds. There is a risk that poor adviser engagement, or awareness, may have a negative impact on earnings or reduce the likelihood for GDG to reach our substantial growth forecasts.

Innovation risk: GDG continues to invest in the development of investment-linked lifetime annuities. There is a risk that product development will take longer than expected, create higher costs or not be attractive to customers and financial intermediaries at all. Failure of management to achieve profitability or sustain current loss-making operations may impact the ability to reach our forecasts.

Concentration risk: A small pool of licensed financial intermediaries or dealer groups may drive a substantial proportion of inflows. There is a risk that adviser attrition could create a disproportionate effect on new business and in turn the financial performance of GDG.

Acquisition risk: GDG has a history of making strategic acquisitions and may continue to pursue future inorganic opportunities. There is a risk that multiple arbitrage fades if sector valuations decline, or if transactions fail to arise while expectations are lofty. There is also risk that an acquired business fails to meet expectations, including higher than forecast customer attrition, cost synergies, delayed integration or problems aligning the two cultures and operations. GDG may overpay, realise contingent liabilities or higher funding costs.

Counterparty risk: GDG does not carry longevity risk and relies on a single large external provider to honour claims obligations. However, if the reinsurer fails to meet its contractual obligations, GDG remains liable to compensate for resulting losses.

Compliance risk: GDG operates in a highly regulated environment. The inability to identify or manage actions leading to a breach of legislation or regulation may result in reputational damages, fines, penalties, or restrictions which may adversely affect GDG.

Operational risk: GDG is reliant on its research quality and investment performance. Any prolonged underperformance of risk-based returns, or the perception of biased, inaccurate, or inadequately researched reports could lead to client attrition.

Competition risk: GDG operates is a highly competitive industry. Heightened activity from existing providers could adversely impact the performance, particularly if GDG's response is ineffective or delayed. This could result in a decline of revenue and margin compression. The need to make continual updates to the investment offering could result in errors which may give rise to client losses and/or regulatory breaches and penalties.

Regulatory risk: GDG is currently positioning for favourable tax reform. There is a risk that changes to legislation or regulation may require GDG to modify its product offering, secure additional licencing or capital. Overall, this may negatively affect the business or growth.

Key staff risk: Loss of key management, sales and investment personnel, delays in their replacement, or failure to attract new talent, may adversely impact client relationships and the financial performance of GDG.

Company Overview

Description

Generation Development Group (GDG) is a financial services company that offers a range of tax-effective investment solutions, annuities, managed accounts and research services. The foremost provides an alternative asset protection, estate planning and superannuation tool with more than $4.4bn in FUM. GDG also provides financial advisers with a means to improve compliance, access professional management, and expand reach at a lower cost to serve through Lonsec and Evidentia. GDG competes in tailored SMA, off-the-shelf SMA and MDA segments following consolidation with $30.0bn in managed accounts FUM.

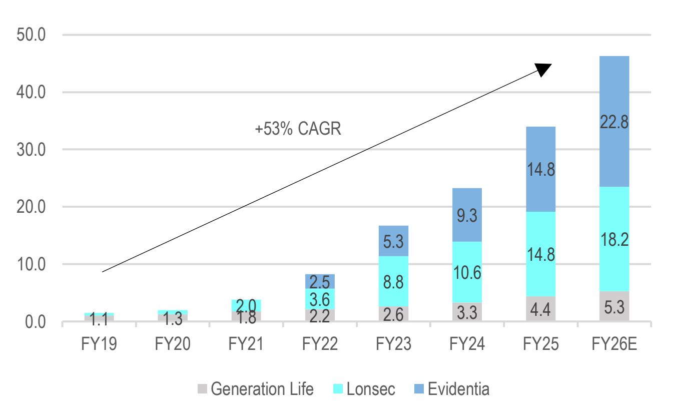
Figure 4 - GDG operating footprint

Segment	Generation Life	Lonsec	Evidentia Group
Products	Investment bonds, lifetime annuities	Investment research, super fund research, adviser research, managed accounts	Managed accounts
Brands/Investment Offering	Lifebuilder, ChildBuilder, FuneralBond (+70 options)	iRate®, SMART, SuperRatings, Lonsec Research, Lonsec Investment Solutions, Implemented Portfolios	
Description	Provider of retirement solutions, estate planning and tax-effective wealth accumulation outside of superannuation	Provider of independent investment research, product ratings and data and analytics for advisers, fund managers and super funds	Provider of tailored SMA, off-the-shelf SMA, MDA for leading private-wealth and advice firms
Size/FUM[1]	$4.4bn	+2,000 managed investments and listed securities +500 superannuation products $14.8bn	$14.8bn and $45.5bn FUA (67% unconverted)
Revenue (100% basis)	$48.7m (+32% on the pcp)	$72.1m (+18% on the pcp)	$16.5m (+63% on the pcp)
EBITDA (100% basis)	$3.1m ex-tax benefit of $13.7m (+460% on the pcp)	$33.0m (+40% on the pcp)	$7.8m (+117% on the pcp)
Market Share	34%	5%	5%
Current TAM	$1,278.9bn Retail FUM $11.5bn Investment bonds FUM	$4,129.0bn Superannuation assets $280.5bn exchange-traded FUM 15,000 financial advisers	$148.0bn SMA FUM $58.3m MDA FUM $26.5m Other (IDPS-like, wholesale) FUM
Inflows (pa)	+$200.0bn Retail +$1.5bn Investment bonds		+$29.4bn SMA/MDA/Other
Key Revenue Drivers	Inflows, outflows, market movements	Issuer-paid coverage fees, subscription fees, Inflows, outflows, market movements	Inflows, outflows, market movements

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

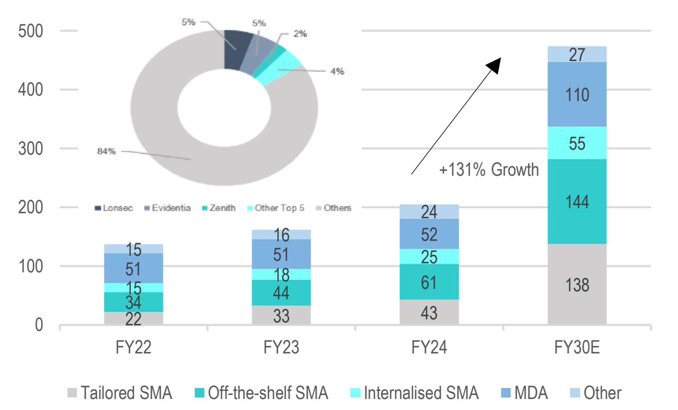
GDG and its acquired businesses have grown market share across fast-growing industries with FUM rising from FY19-25. GDG is primed to duplicate this in a fragmented managed accounts market, currently worth $232.8bn. We have identified Zenith Investment Partners as the next biggest pre-eminent provider with +$4.0bn or 2% market share. There are low barriers to entry and hitting scale is difficult. GDG is deeply integrated in advice practices and platforms, uniquely positioned as the only scaled consolidator with structural tailwinds. Around 58% of advice practitioners are implementing managed accounts[1].

Figure 5 - Pro-forma GDG total Funds Under Management ($bn)



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 6 - Australian managed account market estimates ($bn)



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

[1] 2025 Zenith Investment Partners Unlocking Advice Efficiencies Report

History

The company was originally established in 1991 and later listed on the ASX under Austock Group Ltd in 2007. Initially, Austock was a pooled development fund. Registration granted both it and shareholders a tax advantage in exchange for supplying venture capital to small businesses. The structure has since been phased out, prompting a restructure that turned the company into a focussed and fast-growing funds manager – initially in life insurance. Austock was granted a life office licence in 2002 (friendly society), marking the first such licence to be issued in Australia for over twenty years. Subsequently, in 2004, the company launched its proprietary Imputation Bond platform – a tax-advantaged investment offering with a wide menu selection.

The company underwent a brand and operational relaunch in 2017 after the appointment of Rob Coombe as Chairman. Under his leadership, it became Generation Development Group Ltd (GDG). The company enhanced its product offering across investment menu categories, competitive pricing, features and technology, while also introducing new people through a management and Board restructure. This strengthened GDG's presence in a stagnant market – which started to change following introduction of the $1.6m transfer balance cap on 1 July 2017. GDG was nimble and accomplished rebrand ahead of policy implementation. While the limit has incrementally increased to $2.0m, the framework still discourages tax minimisation and seeks to promote sustainability in the super system. The transfer balance cap sets a limit on the amount that can be transferred into pension phase.

Figure 7 - Generation Development corporate history

1991	Austock Group is founded by stockbroker Martin Ryan with eight staff and $1.3m in shareholders' funds.
2007	Lists on the ASX in November 2007, at $1.80/sh with code ACK.
2002	Austock Life is issued with a life office licence, the first to be issued in over 20 years in Australia.
2004	Austock Life launches its proprietary Imputation Bond Platform.
2012	Sells its Securities and Property businesses to become focussed on life insurance investment bonds.
2016	Austock Life achieves $900m in investment bond sales since inception in 2002 and lifts its FUM +$600m.
2017	Robert Coombe (former head of BT Financial) invests +$4m alongside Ellerston, later becoming Chairman.
2018	Product suite is transformed, driven by rebrand, Board and Management changes, including Grant Hackett as CEO.
2019	Generation Life FUM breaks through +$1bn with product sales accelerating and growing +50% in 1H20.
2020	Raises $35m to acquire 37% stake in Lonsec and fund the development of a new in-house annuity product.
2021	Annual sales continue to see exponential growth and 1H22 Generation Life FUM exceeds +$2bn.
2023	Generation Life FUM approaches +$3bn, continuing strong growth momentum.
2024	PDF revocation sees the concessional tax rate dropped and removes limitations to grow by acquisition. Raises $155m to acquire 100% ownership of Lonsec - $340m upfront ent val equating to 12.4x FY25e EBITDA.
2025	Raises $290m to acquire Evidentia (100%) - $320m upfront ent val equating to 15.2x FY26e EBITDA (ex-synergy). Recent M&A now accelerates its presence in the managed accounts market, creating +$25bn combined FUM. BlackRock invests $25m with a partnership to co-design and distribute retirement income solutions in Australia.

SOURCE: PROSPECTUS AND COMPANY DATA

Since 2018, GDG has achieved strong sales growth – under the leadership of CEO Grant Hackett. At the same time, earnings have experienced a profound step change, driven by strategic acquisitions in managed accounts. This includes consolidating Lonsec from FY25 while Evidentia will make a full contribution in FY26E. Both subsidiaries are established, profitable and scalable. GDG has also recently expanded into decumulation strategies with cumulative annuity losses of $17.5m on $59.5m of FUM. This remains in the early stage.

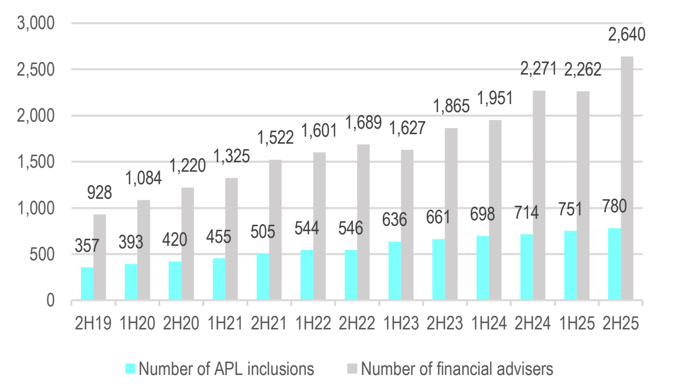
Overall, these developments indicate that GDG has progressed well beyond its formative years. Looking ahead, we expect that the company is well placed to grow as a leading and progressive wealth business with structural tailwinds – evidenced by BlackRock's $25m minority investment and strategic alliance with GDG. The company has flagged plans to co-develop retirement income solutions, covering product development, relationships and go-to-market. A product launch is targeted within the coming year. In addition, AMP's platform North has collaborated with BlackRock and Lonsec to deliver tailored managed accounts, marking good momentum in the go-to-market strategy.

Go-to-Market Strategy

GDG serves various end-customers including retirees, pre-retirees, parents, mass affluent individuals, high-income earners and those receiving financial advice more generally. GDG principally connects to its customers through established channels like dealer groups that manage model portfolios / an approved product list of curated investment products. This ensures that recommendations and financial goals align. Additionally, GDG extends its distribution through dedicated wealth administration and data software services. Off-the-shelf and tailored managed accounts, meanwhile, are available for investment through web-based platforms. Research indicates that over 90% of Australian financial advice companies use superannuation and investment platforms in their advice delivery[2] process, with 83.1% of advisers using the technology daily[3]. Feedback also reveals that advisers use multiple wealth platforms – on average three[4] – where they tend to allocate more of their new business to a preferred secondary platform (to better meet end-customer needs).

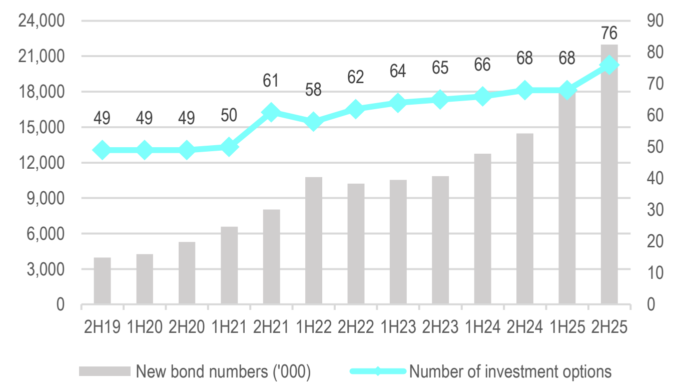
Generation Life has experienced compound adviser growth of +18% pa since FY20, driven by increased marketing and acquisition efforts as well as growing awareness of investment bonds. This is further reflected in +14% compound approved product list growth over the same time, and despite progress, there remains potential to increase adviser touchpoints, with the company currently engaging 17% of industry professionals. This presents a strong runway for further growth. The number of investment bond sales have grown at a 5-year CAGR of +33%, partly reflecting the initial low base, and there remains a trend of advisers managing more clients. Since investment bonds and investment-linked lifetime annuities are not available for purchase directly by retail investors, a clear and strong go-to-market strategy is needed to drive growth and maximise financial leverage.

Figure 8 - GDG has seen +18% compound growth in distribution



SOURCE: COMPANY DATA

Figure 9 - Translating into +33% sales growth with more options



SOURCE: COMPANY DATA

Accessing products issued by GDG requires both a financial adviser and the completion of an online application. Adviser facing platforms, such as GBST Composer, can simplify and automate the process end-to-end – while Lonsec's managed accounts are currently offered on several major platforms, with plans to expand on this number, driving accessibility and scalability for advisers.

GDG has released its Lonsec branded tailored portfolios-at-scale solutions in 4Q25 on the AMP North platform, bridging the current product gap. GDG is also advancing discussions with HUB24 to transition its existing Xplore Wealth MDA clients ($1bn FUA) onto Lonsec-owned Implemented Portfolios. GDG has further secured new tailored managed account clients, the details of which are yet to be disclosed.

[2] 2022 Netwealth AdviceTech Report

[3] 2020 Netwealth AdviceTech Report

[4] 2022 Investment Trends Adviser Technology Report

Figure 10 - Current platform availability shows greater exposure to fast-growing providers

Lonsec Managed Accounts	AMP MyNorth	BT Panorama	CFS Edge	CFS FirstWrap	Expand Extra	Finclear	HUB24 Choice	HUB24 Core	Macquarie Wrap	Netwealth	OneVue	Praemium
Multi-Asset Managed Portfolios	✖	✔	✔	✖	✔	✖	✔	✔	✔	✔	✖	✖
Listed Managed Portfolios	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✖	✔
Sustainable Managed Portfolios	✖	✔	✔	✖	✖	✖	✔	✔	✔	✔	✖	✖
Retirement Managed Portfolios	✔	✔	✔	✖	✖	✖	✔	✔	✔	✔	✖	✖
SMA - Core	✖	✔	✔	✔	✖	✔	✔	✖	✔	✖	✔	✔
SMA - Income	✖	✖	✖	✖	✖	✔	✔	✖	✔	✖	✔	✔

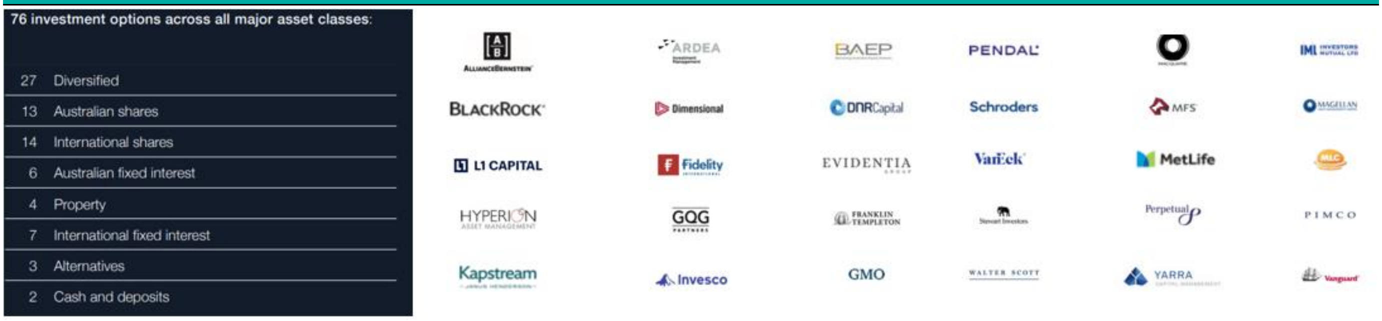
SOURCE: COMPANY DATA

Products

GDG offers four main products.

Investment Bonds (Generation Life): After-tax investments. These are taxed internally at 30% prima facie in the life insurance company. An investor who holds an investment bond for more than 10-years and satisfies the 125% rule can benefit from tax-free withdrawals. The tax treatment differs and competes with other mainstream investment options such as superannuation, personal ownership, corporate and trust structures. GDG has investment solutions available for all stages of life – LifeBuilder, ChildBuilder and FuneralBond – with 76 selections currently that cover equities, fixed interest, property, cash and alternatives.

Figure 11 - Generation Development has a leading investment menu



SOURCE: COMPANY DATA

The value proposition is principally driven by an individual's after-tax circumstances, which could be advantageous when compared to: 1) concessional superannuation contributions during accumulation phase – taxed at 15% and generally $30,000 capped per annum; 2) the highest personal marginal tax rate of 47% plus the 2% Medicare Levy Surcharge; and 3) family trusts, where income is assessed at the personal tax rate of each beneficiary. In addition, switching investments or transferring the ownership of an investment bond does not trigger capital gains tax liabilities. This enhances flexibility and tax efficiency.

Figure 12 - Investment bond product portfolio

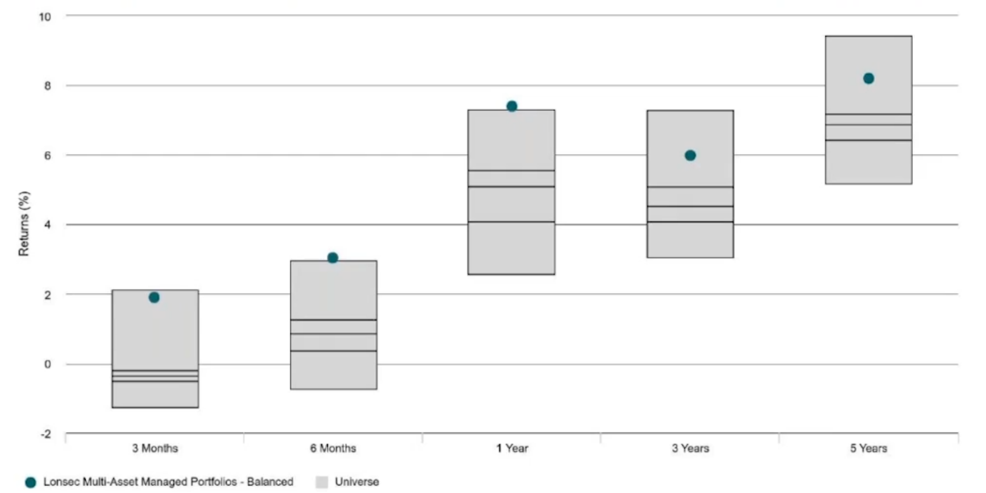
Product/solution	Use case examples	Description
LifeBuilder	High income earners	All earnings are taxed at up to 30%, though actual rates may be lower depending on the investment option
	Retiree income streams	You can start your income stream at any time, even before you're eligible to access superannuation
	Estate planning and wealth distribution	The EstatePlanner feature allows for automatic transfer of investments, either at a specified future date or upon death, maintaining tax advantages
	Managing income levels in private trusts	While invested in LifeBuilder, the trust has no income to declare or distribute from the investment
	Alternative or complement to superannuation	There are no restrictions on the amount or timing of contributions and funds can be accessed at any time
ChildBuilder	Invest in a child's future	Automatically increase your contribution levels each year, nominate the intended use of funds and control how much your child can access
FuneralBond	Save for funeral expenses	Transfer ownership to a funeral director of your choice and FuneralBond is exempt from asset and income tests

SOURCE: COMPANY DATA

Managed Accounts (Lonsec / Evidentia): A non-unitised investment portfolio, owned by an individual investor and externally managed by a professional firm – responsible for its design, implementation and maintenance. Securities are pooled together through a wrap service. GDG provides a comprehensive range of managed portfolios to meet the specific needs of advisors and investors. Broadly speaking, there are two choices that differ in structure and customisation. The key differentiation is day-to-day delegation of investment decisions. This includes custom-built Individually Managed Account (IMA) services which are designed for a high level of personalisation. Holdings can be remodelled according to the individual investment preferences through a legally-defined discretionary management agreement. Separately Managed Accounts (SMA), on the other hand, offer scalability and simplicity by delivering similar holdings to all investors. An IMA and SMA are transparent and can generate enhanced tax outcomes through the non-unitised structure.

We have shown the relative performance of Lonsec Investment Solutions' flagship ready-made model portfolio – balanced income and capital growth – which is considered leading. The portfolio has delivered strong returns in the past 12-months with consistent top quartile performance over the last 5-years.

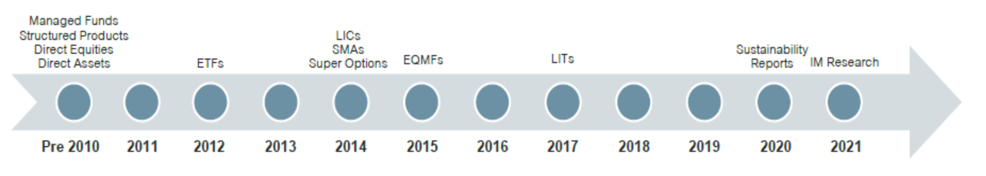
Figure 13 - Lonsec multi-asset managed portfolio (balanced growth) performance ending Mar'25



SOURCE: COMPANY DATA

Research and Ratings (Lonsec): Independent and mostly qualitative investment research on more than 2,000 managed investments and listed securities, offered through the award-winning iRate® platform. Financial advisers can choose to subscribe to one, two or three of the available research libraries – managed funds and listed equities – which streamline the investment process and help to demonstrate compliance with the best interests duty. This enables licensees and professionals to gain a better understanding of investment products and how to better incorporate them into an approved product list. This is a necessary step for inclusion in managed accounts. Lonsec has been a provider of investment research since 1993 and is recognised as a well-established and leading brand. In recent times, the research offering has re-positioned in-line with growing sectors, with Lonsec initiating coverage on a range of exchange-traded funds, listed investment companies, managed funds and hybrids. Each receives a scorecard or approval to determine investor suitability.

Figure 14 - Lonsec research offering evolution

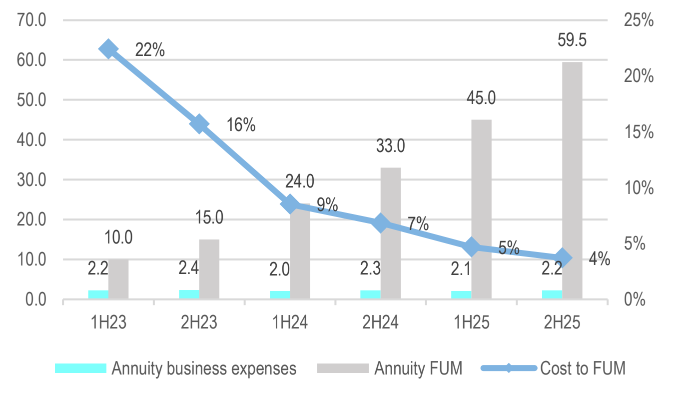


SOURCE: COMPANY DATA

Professionals access the content through a pay for research model which grants access to the iRate® platform. Additionally, data is integrated into financial planning software such as Xplan and Midwinter through real-time feeds. A distinct specialised superannuation brand, SuperRatings, is available on the iRate® platform, and promotes communication between superannuation funds and members by offering consultancy services, research analysis, ratings, product reviews, benchmarking and industry insights. Data is maintained within a proprietary database, SMART, which has grown continuously since the firm launched in 2002. Over 273 superannuation choice products and $1,625bn in savings are captured.

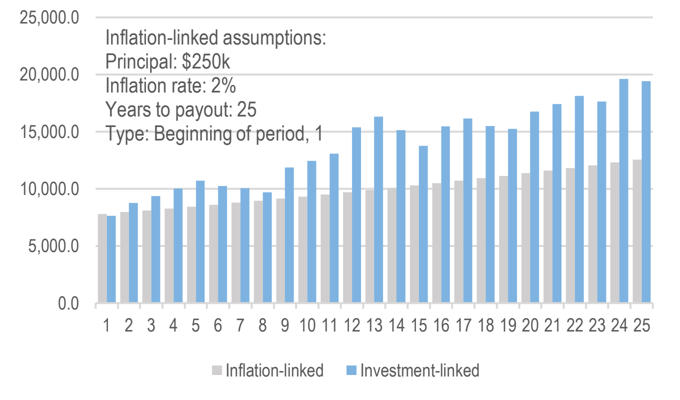
Investment-Linked Lifetime Annuity: Provides guaranteed and regular income, paid for life, in exchange for a one-time lump sum. Since 2022, GDG has developed and launched an enhanced version of traditional lifetime annuities, allowing for income streams to vary according to the performance of investments. While the level of income isn't guaranteed for investors, GDG ensures the payment of regular income through reinsurance contracts with Hannover Re. GDG achieved run-rate product sales of $23.2m in 1H25, with FUM closing at $45m. Costs associated with the deployment and expansion of annuities has continued to impact profitability.

Figure 15 - Efficiency on below-the-line after tax annuity expenses



SOURCE: COMPANY DATA

Figure 16 - Illustration of inflation vs investment-linked payouts

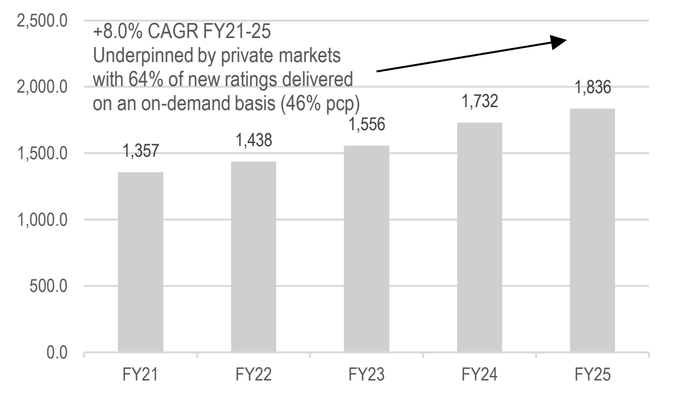


SOURCE: BELL POTTER SECURITIES ESTIMATES

Growth Strategy

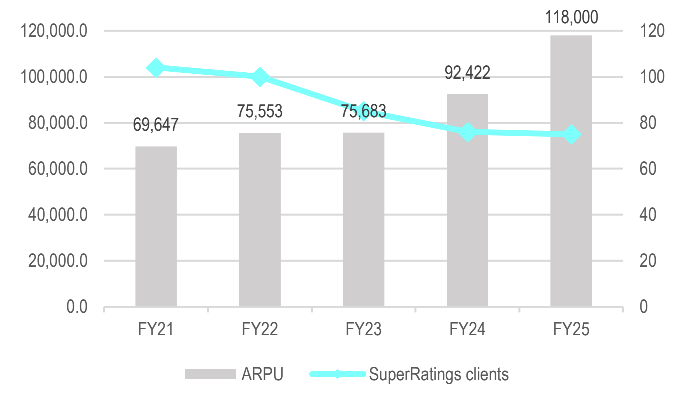
Future developments are predicated on GDG maintaining the cadence within investment bonds and annuities by expanding its market share and broadening its product offering. In addition to opportunities for its core capability, we expect that GDG will initiate coverage on more investment and super products, increasing subscriber numbers and growing revenue by elevating the ARPU through a strengthened value proposition.

Figure 17 - Lonsec products covered, growing on-demand basis



SOURCE: COMPANY DATA

Figure 18 - Early signs of pricing power from SuperRatings clients



SOURCE: COMPANY DATA

Finally, we expect that regulation, technology and professionalism will benefit the adoption of managed accounts, particularly given its consultancy services, tactical relationships and strong investment returns. There also remains a material opportunity for GDG to capitalise on legislative tailwinds from the proposed double taxation of concessional superannuation contributions (*Division 296 Regime*) and consider inorganic acquisition to further accelerate its managed accounts footprint.

Revenue Model

GDG principally earns revenue through a tiered fee structure based on the value of assets under management. This is tailored to the investment option. An asset-based fee model usually includes management fees and administration fees. In some cases, an investment option can also attract a performance fee. All fees are either deducted from the assets held or are factored into the unit price for a chosen investment option. For investment bonds, customers are typically charged a fee ranging from 1.14-1.36% pa based on funds under management, with rates depending on the mandate and tax optimisation level. Generally, targeting improved after-tax returns enables GDG to levy a higher fee schedule – around 1.23-1.28% for tax enhanced and tax optimised strategies.

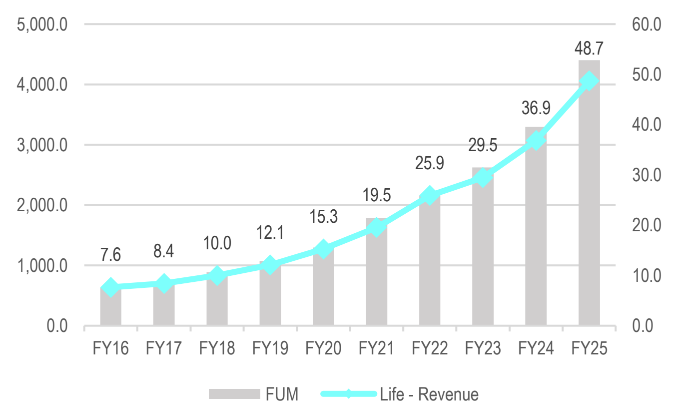
Figure 19 - Generation Life investment bonds current investment list

Investment options	Investment management fees and costs pa	Administration fees pa	Total estimated management costs pa	Performance fee costs pa	Total estimated management costs pa
Index					
Average	0.11%	0.60%	0.71%	Not applicable	0.71%
Median	0.09%	0.60%	0.69%	Not applicable	0.69%
Single-sector					
Average	0.78%	0.58%	1.36%	0.76%	2.12%
Median	0.78%	0.60%	1.38%	0.07%	1.45%
Diversified multi-sector					
Average	0.61%	0.53%	1.14%	0.08%	1.21%
Median	0.70%	0.60%	1.30%	0.03%	1.33%
Responsible investing					
Average	0.76%	0.60%	1.36%	0.15%	1.50%
Median	0.80%	0.60%	1.40%	0.15%	1.55%
All investment options					
Average	0.67%	0.57%	1.24%	0.41%	1.65%
Median	0.70%	0.60%	1.30%	0.06%	1.36%

SOURCE: COMPANY DATA

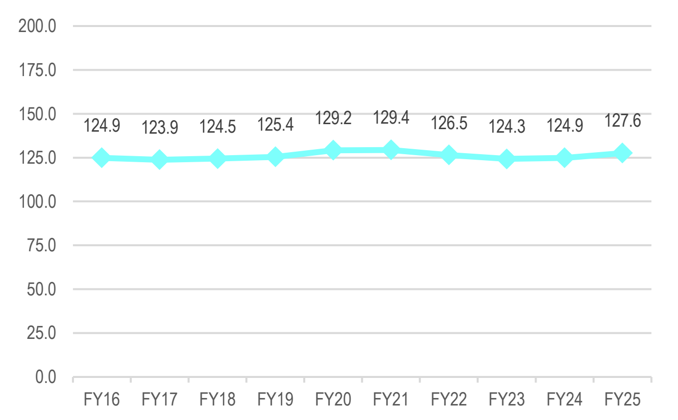
From FY16-FY25, GDG witnessed pro-forma Life revenue growth of +24% pa, with FY25 revenue of $48.7m and 2H25 revenue of $25.1m, primarily driven by growth in funds under management. Between FY16-25, GDG had a CAGR of +24% for investment bonds, with FUM closing the period at $4.4bn and run-rate revenue of $50.3m, reflecting the benefit of higher asset values. Market performance may support revenue growth and resiliency.

Figure 20 - Gen Life +23% rev growth mirrors +24% FUM growth



SOURCE: COMPANY DATA

Figure 21 - Life revenue margins have averaged 126.1bps FY16-25



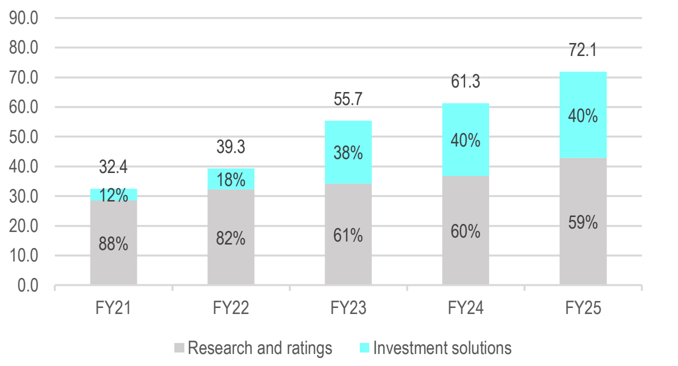
SOURCE: COMPANY DATA

GDG's recent acquisitions replicate an asset-based fee model and introduce more revenue streams with different drivers. Pro-forma financials provided from FY21-25 indicate Lonsec has experienced revenue growth of +22% pa with $29.0m of managed account revenue for FY25 and $42.8m research and ratings revenue. The collection of managed account fees and income relate to similar activities, including administration and management costs.

Between FY21-25 – Lonsec Investment Solutions – its managed accounts subsidiary – has produced +66% pa compound growth in FUM, closing at $14.8bn. Performance has been augmented by the acquisition of Implemented Portfolio in FY23 which contributed +$1.7bn. This is reflected in revenue growth of +64% pa over the same period, with lower revenue margins developing from 1H24 and diluting growth. Decrease in revenue margins reflects competitive pricing for tailored dealer group solutions, compared to off-the-shelf managed accounts. Margins exited FY25 at 23bps, down from 25bps in FY25 and 31bps in FY24.

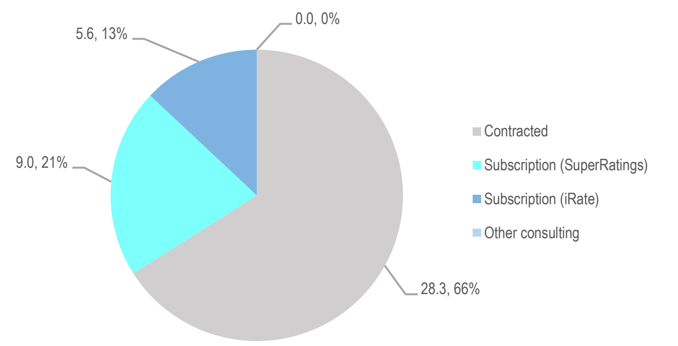
Research and ratings revenue is principally collected from the issuers of investment and superannuation products as part of the paid research. The remaining $14.6m in FY25 was monetised from scheduled user-access, charged to subscribers for accessing content on the web-based platform.

Figure 22 - Lonsec's +22% revenue growth is supported by MAs



SOURCE: COMPANY DATA

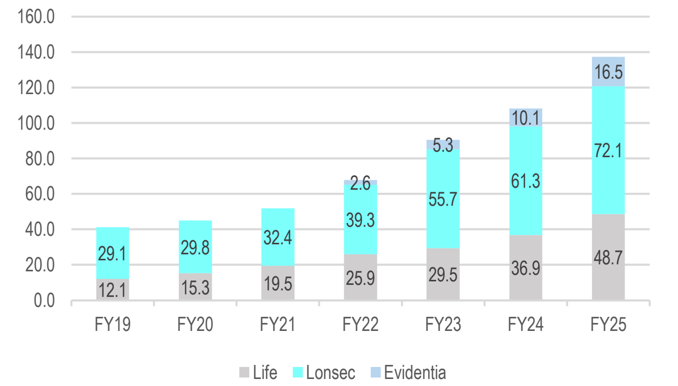
Figure 23 - Lonsec research and ratings revenue is all recurring



SOURCE: COMPANY DATA

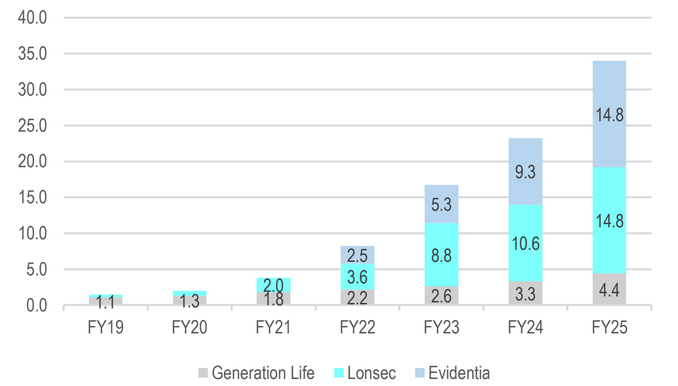
GDG had a transformative FY25, with the integration of Lonsec and Evidentia elevating its revenue from $36.9m to $127.6m and increasing its funds under management to $32.6bn.

Figure 24 - GDG pro-forma revenue profile with +22% growth pa



SOURCE: COMPANY DATA

Figure 25 - GDG has accelerated pro-forma FUM with Evidentia



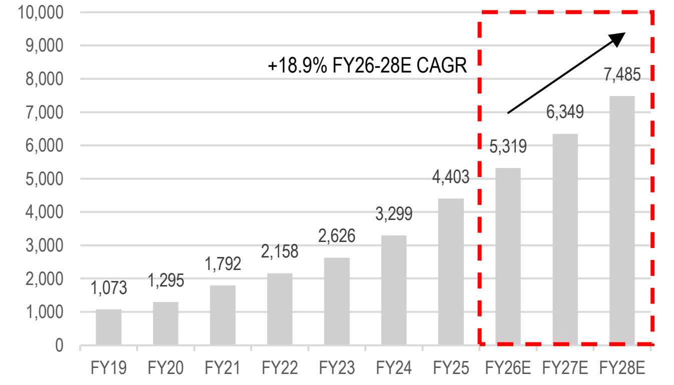
SOURCE: COMPANY DATA

Key Topic 1: Investment Bonds

Base case: +14% net flow growth and +4% market growth

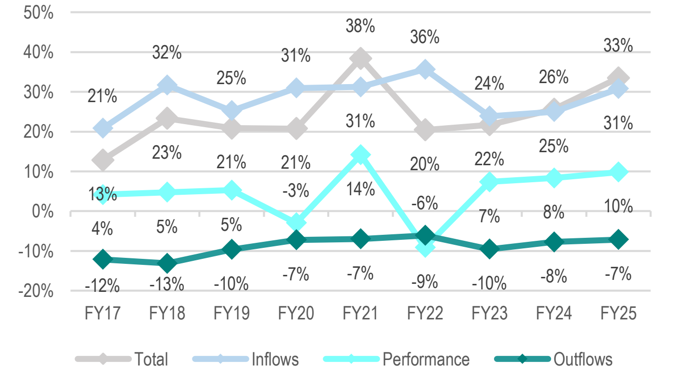
We forecast salary sacrificing and personal super contributions to be the primary driver of +11% pa compound growth in FUM, consistent with trends observed from FY13-25, and modestly below GDG's historical sales inflow growth normalised for market share impacts (+17% FY20-25). Additionally, we expect targeting growth above market rates will generate an incremental +3% pa over our forecast period from FY26-28E. GDG has shown strong FUM retention, in part owing to the investment structure for bonds, which allows the holder to make tax-free withdrawals after 10 years – subject to satisfying the 125% rule.

Figure 26 - Bell Potter historical and forecast Life FUM growth



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

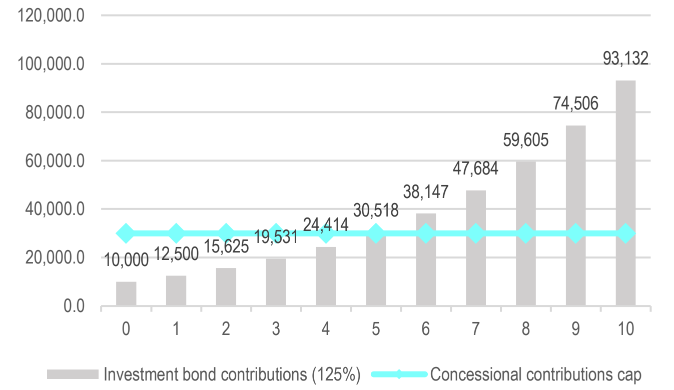
Figure 27 - Life FUM growth has been predominantly inflow driven



SOURCE: COMPANY DATA AND BELL POTTER SECURITES ESITMATES

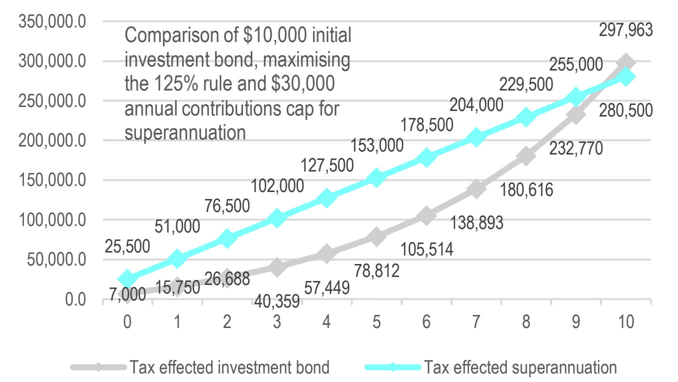
We may elect to raise our target growth rate if super contributions become limited or are replaced. Current legislation restricts pre-tax contributions to +$30,000 and bring-forward unused amounts can further support growth for up to 5 years, subject to superannuation balances. Our bull case is for +25% pa compound growth within investment bond inflows, reflecting 125% of the previous year's contributions into perpetuity. Distribution headroom could further de-risk near-term inflow growth, supported by new customers. GDG offers a savings plan to maximise and increase annual contributions automatically.

Figure 28 - Investment bond 125% opportunity on $10,000 initial



SOURCE: BELL POTTER SECURITIES ESTIMATES

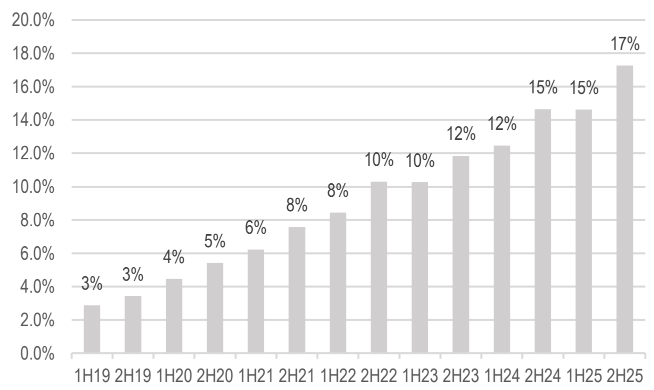
Figure 29 - Aggregate contributions approach concessional super



SOURCE: BELL POTTER SECURITIES ESTIMATES

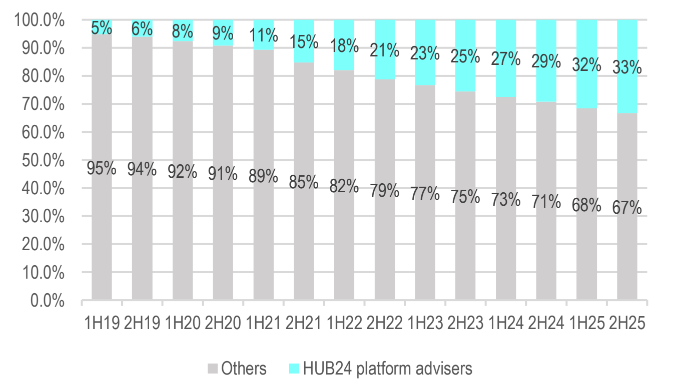
In general, we consider investment bonds to be better positioned versus superannuation given the stable regulation, current market size and wealth transfer opportunity. Investment bonds are an attractive way to complement tax-paid income streams and estate planning with similar levels of asset protection. In terms of inheritance, research from CoreData has flagged this as a $4.9tn opportunity. Proceeds are paid tax-free to beneficiaries on death.

Figure 30 - Gen Life advisers make up 17% of industry numbers



SOURCE: COMPANY DATA AND ASIC

Figure 31 - Could double on branding, platform cross-pollination



SOURCE: COMPANY DATA

We draw the comparison between superannuation and investment bonds – key takeaway being the flexibility afforded (in exchange for direct tax concessions on earnings). We view investment bonds as a stable and less onerous option, benefitting from structural tailwinds. The Labour Government's proposed *Division 296* ruling would introduce a further 15% tax on earnings for superannuation balances over $3.0m ending FY25, and the threshold is not indexed. Imposition would boost the effective rate of tax above 15%.

Figure 32 - Investment bond features and outcomes versus superannuation

	Insurance Bond	Superannuation
Market size	$10.7bn	$4,129.0bn
Inflows pa	+$1.5bn	+$202.8bn total contributions, +$85.6bn non super-guarantee
Tax rate	Maximum 30%	Maximum 15%
Access to funds	No restrictions related to drawdown or switching	Generally no access before meeting your release conditions of: 1) reaching preservation age at 60 and retiring or starting a transition-to-retirement income stream; or 2) turning 65 regardless of retirement status
Ability to transfer ownership	Yes, with no tax levied	No, unless under an eligible reversionary pension, with income supporting a financial dependent under 25
Contributions tax	None, but no tax concessions	Tax concessions on contributions are available up to certain limits and a 15% tax on concessional contributions applies
Limits on contributions	No limit on the initial investment, limit of 125% on prior year contributions	Current annual cap of $30k for concessional and $120k for non-concessional
Tax reporting	No, unless making a withdrawal within the 10-year period	Yes, if the tax-free thresholds are exceeded
Investment options	Historically limited, but expanding	Depends on the specific superannuation fund
Estate planning	Options for dependents, non-dependents and entities	Limited to dependent beneficiaries
Tax on death	No tax payable on death or payment of death benefits, including adult beneficiaries, regardless of the 10-year period	Death benefit payments may be subject to additional tax for nondependent beneficiaries

SOURCE: COMPANY DATA

Investment bonds also compare favourably to other non-superannuation options and GDG further provides an optimised tax series that can deliver effective rates of 12-15% through: 1) rules that unlock a tax benefit through realised capital losses; 2) trade netting; 3) direct investment over pooled types; and 4) compounding from progressive tax management.

Figure 33 - Opportunity costs outside superannuation versus investment bonds

Investment Bond	Company structure	Trust structure	Contribute to spouse super or children's super
Taxation: • Maximum 30% • Effective rate of tax on earnings between 6% – 25% at Generation Life	**Taxation:** • 30%	**Taxation:** • Personal Marginal tax rate or 30% (for corporate beneficiaries)	**Taxation:** • Accumulation 15% • Drawdown 0% • Death tax to non-SIS dependents
Opportunity: • Tax effective and not subject to preservation age • Non-distributing asset – control personal tax events • Portable and transferable with no CGT on transfers • Can be held by individual, jointly or through trust structure • Flexible and secure estate planning solution (where structured as non-estate asset) • Similar bankruptcy protection as super	**Limitations:** • Not as tax effective as super or investment bond • No CGT discount • Cannot offset capital losses against income to reduce effective annual tax • Tax deferral mechanism as will need to eventually distribute dividends to shareholders • No bankruptcy protection • Consider Div 7A compliance	**Limitations:** • Quarantines risk • Income entitlement flows through to ultimate beneficiaries and taxed at their marginal tax rate • More complicated than super and ongoing costs to consider	**Limitations:** • Only possible to transfer benefits post preservation • Ownership of investment resides with spouse or child. And only able to access post preservation age • Contribution rules and caps apply[1]

SOURCE: COMPANY DATA

To reiterate, investment bond earnings are assessed at a maximum 30% with tax paid by the insurance company. Withdrawing from a bond in the first 10-years will attract personal income tax on the component of investment returns. Bondholders can benefit from no CGT or income tax when making a withdrawal 10-years from the initial investment date – subject to meeting the 125% rule. So, even withdrawing in the 10-year period can provide benefits by applying the 30% tax offset and reducing personal income tax. Having said that, the tax advantage obviously increases over time. We show this below.

Figure 34 - Investment bond returns and implied tax rate, factoring in relevant withdrawal periods

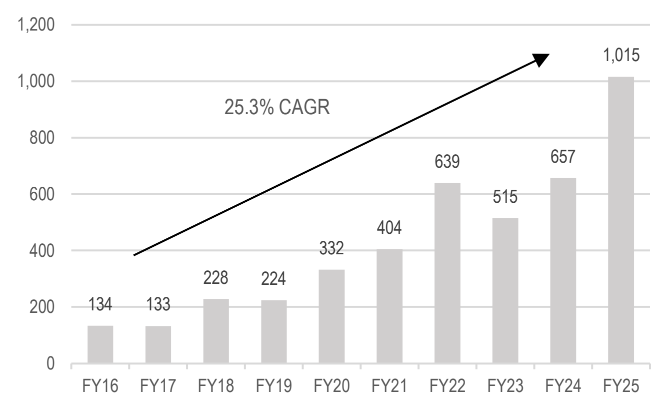
Withdrawal year (initial T=0)	≤T+8	T+9	T+10	>T+10
Investment earnings ($)	10,000	10,000	10,000	10,000
Assessable income (%)	100%	67%	33%	0%
Assessable income ($)	10,000	6,667	3,333	0
Personal income tax rate (%)	47%	47%	47%	47%
Available tax offset (%)	30%	30%	30%	30%
Personal income tax payable ($)	1,700	1,133	567	0
Tax effected investment return ($)	8,300	5,533	2,767	0
Implied personal tax rate on withdrawal (%)	17%	11%	6%	0%

SOURCE: COMPANY DATA

Historical and forecast performance

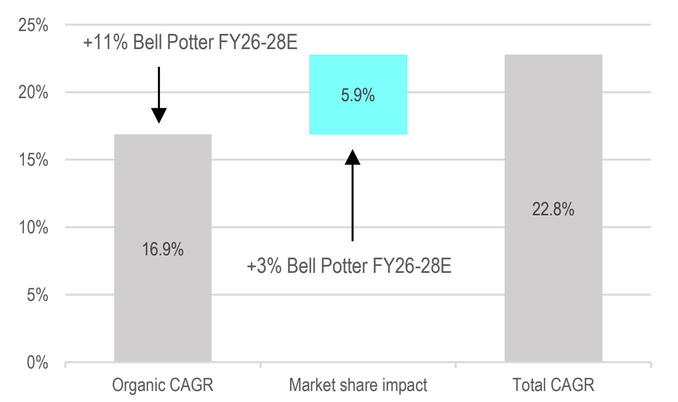
From FY16-25, GDG has experienced +24% pa compound growth in FUM, chiefly driven by strong inflow momentum and reliable outflows. GDG saw an acceleration in YOY inflow growth during FY25, finishing 4Q25 at a heightened beat of +$119m. On a simple run-rate basis, this would imply +$1,492m FY26E, equating to +46.9% growth on the pcp.

Figure 35 - Sales inflows have experienced a material step change



SOURCE: COMPANY DATA

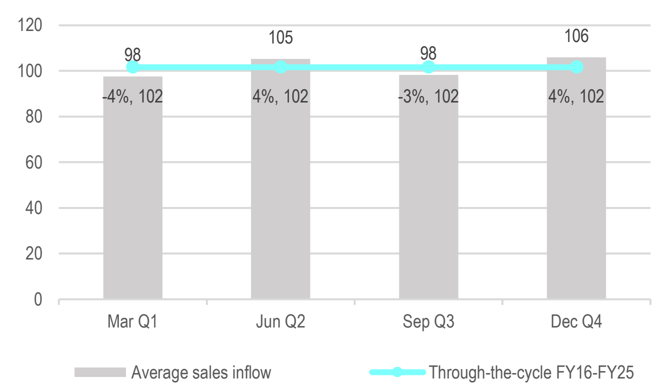
Figure 36 - Growth composition from Sep'20 and Bell Potter fcts



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

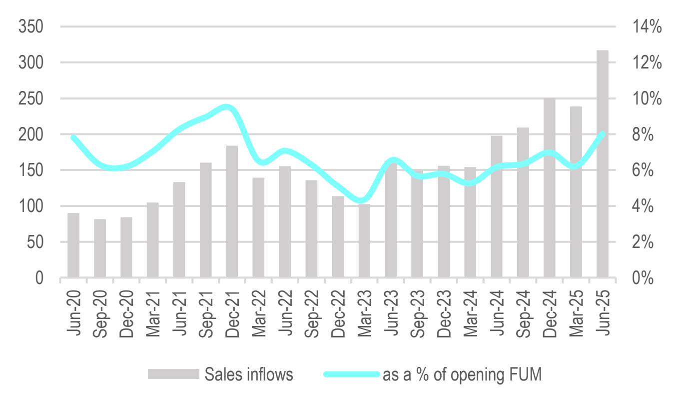
Achieving run-rate inflows would beat our current expectations +31% (BPe +$1,140m).

Figure 37 - Inflows have been consistent, historically up 2Q/4Q



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESITMATES

Figure 38 - Gen Life inflows have scaled well with higher FUM



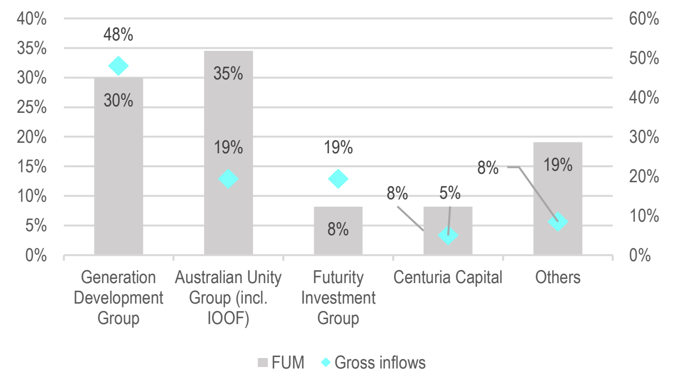
SOURCE: COMPANY DATA

Our base case expectation is for GDG to continue gaining inflow market share, though only at half the rate from FY21-25. GDG has demonstrated two quarters at 59% market share, peaking at 73% in 3Q25, and our investment forecasts would project GDG reaches a 70% market share by FY28E, owing to its first mover advantage and strong investment.

GDG currently holds a market-leading position for investment bonds, which we defined as a $10.7bn addressable market, currently, and an additional +$2.0bn marginal opportunity. In terms of how GDG might leverage its addressable market, we observe that incumbents are highly fragmented, with higher FUM compared to their inflow momentum. This could create a favourable environment for migrations given the next three providers outside of GDG and Australian Unity Group (AYU) hold 4-8% market share. We are already seeing grassroots. AYU purchased Insignia Financial's $1.1bn investment bonds business in FY24 for $41m consideration. In general, GDG is well positioned, supported by growing advisers and end-customers as they seek alternative investments to superannuation.

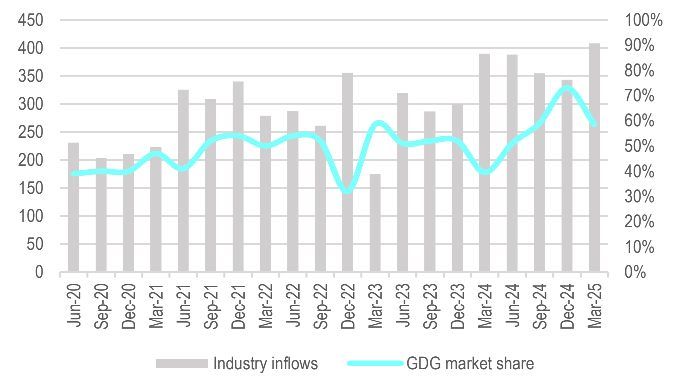
Key competitors also include Foresters Financial, with $450m in FUM (4% market share), and KeyInvest, managing $428m in FUM (4% market share). Together, the top 5 providers hold $9.1bn in assets, with an additional $1.6bn held outside the leading market players.

Figure 39 - Investment bond share by FUM and inflows at Mar'24



SOURCE: COMPANY DATA AND PFL RESEARCH

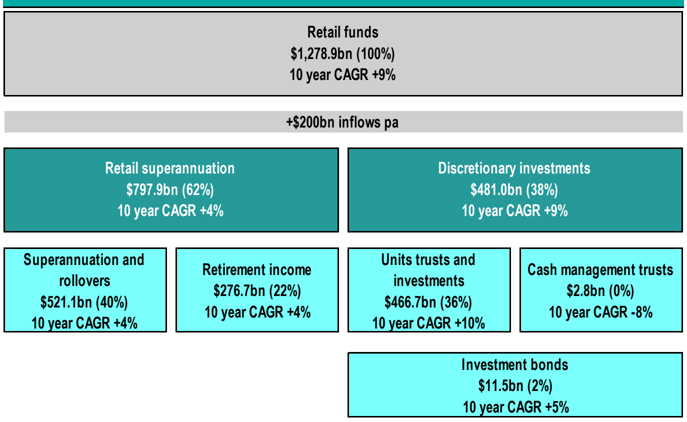
Figure 40 - Growing use-case with a higher market share for GDG



SOURCE: COMPANY DATA AND PFL RESEARCH

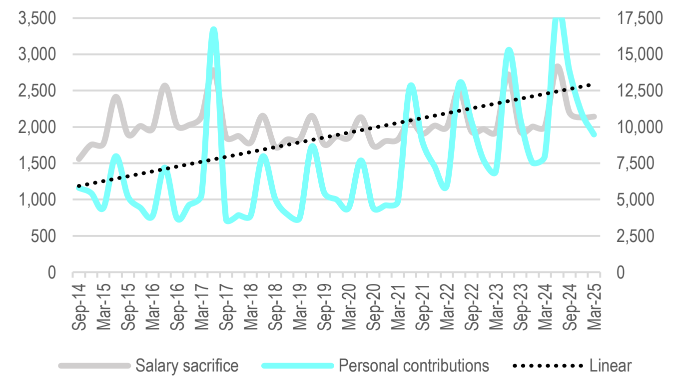
Investment bonds represent just 1% of the $1,278.9bn retail managed investments market, which collectively receive annualised inflows north of $200bn. This can be segmented into retail superannuation ($797.9bn) and discretionary investments ($481.0bn) – which include the assets from investment bonds. Over the past decade, the investment bond market has experienced +5% pa compound growth versus +9% for broader discretionary investments, including unit trusts and cash management trusts. Going forwards, we expect growth will be supported by superannuation, driven by intergenerational planning and tax strategies. Broadly, our forecast +11% organic growth rate aligns with non-employer contributions.

Figure 41 - Analysis of the large retail managed funds opportunity



SOURCE: PFL

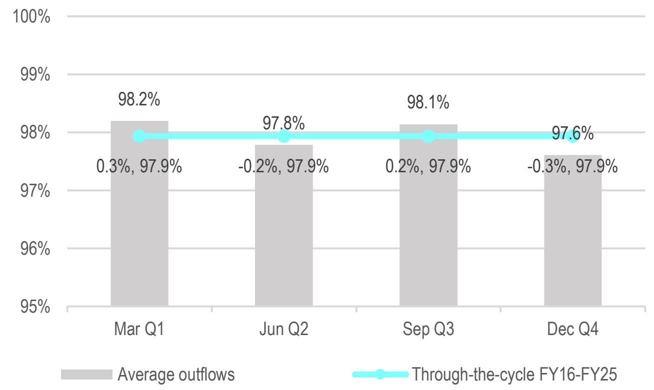
Figure 42 - We form our forecasts on +11% growth from FY14-25



SOURCE: APRA

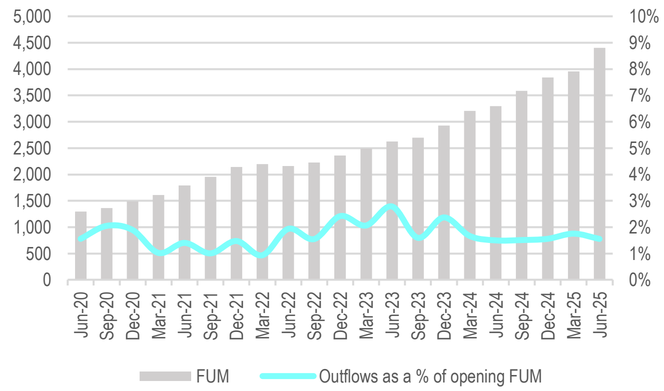
We forecast net inflow growth, driven by strong inflow momentum and back-book outflows, reflecting the 10-year advantage period for investment bonds. We use annual withdrawal rates (6% FY25) to estimate an average asset turn (incl. drawdowns and death maturities) of ~16-years. To visualise this – GDG reported $638m FUM in FY16 and this compares to our forecast FY26E inflow estimate of +$1,140m.

Figure 43 - Gen Life has excellent asset retention rates of ~98%



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

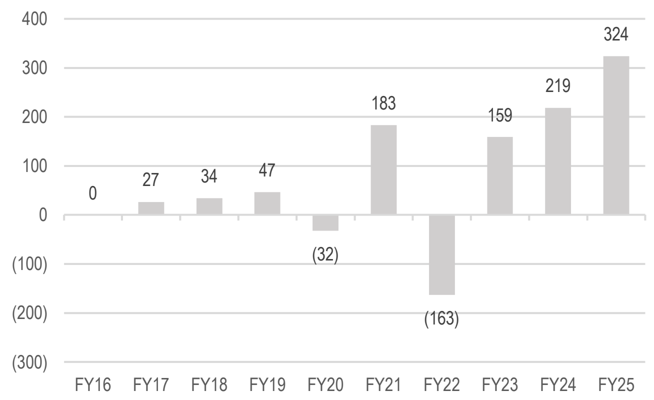
Figure 44 - GDG has scaled FUM while tapering outflows as a %



SOURCE: COMPANY DATA

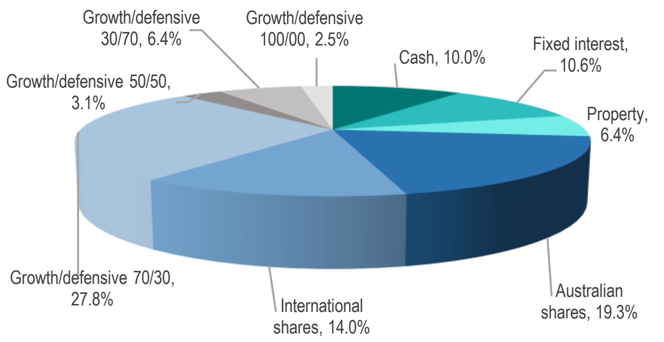
We forecast +3.8% pa investment-related growth into perpetuity, predicated on an average quarterly growth rate of +2%, and our correlation coefficient of 0.44 for the S&P/ASX 200 accumulation index.

Figure 45 - Mkt moves have averaged +4.6% of FUM from FY17-25



SOURCE: COMPANY DATA

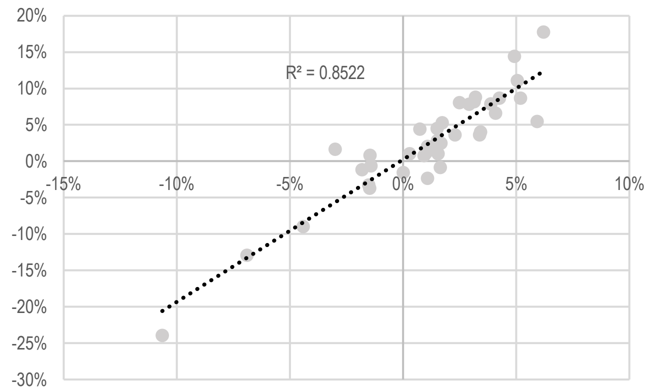
Figure 46 – Last disclosed Gen Life asset classification for FUM



SOURCE: COMPANY DATA

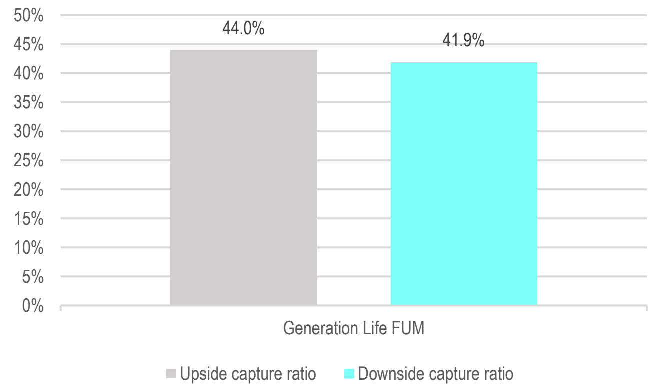
Investment returns have been softer in up-markets and preserve capital well in downturns.

Figure 47 - Mkt moves demonstrate strong correlation to ASX/200



SOURCE: COMPANY DATA, BLOOMBERG, BELL POTTER SECURITIES ESTIMATES

Figure 48 - And perform modestly better during market downturns



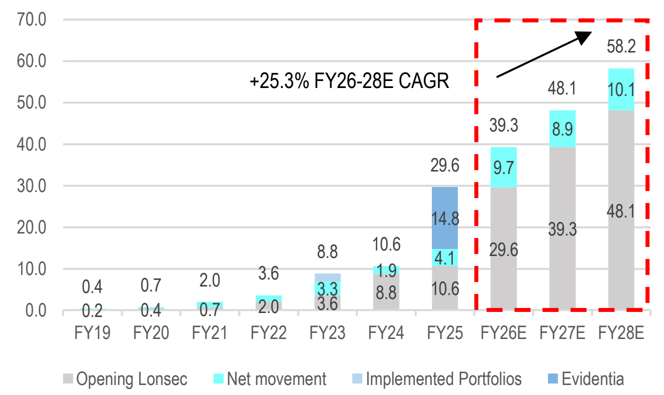
SOURCE: COMPANY DATA, BLOOMBERG, BELL POTTER SECURITIES ESTIMATES

Key Topic 2: Managed Accounts

Base case: +20% net flow growth and +5% market growth

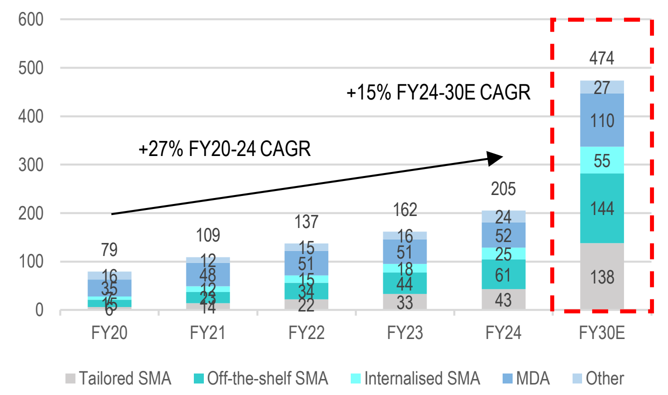
We base our assumptions on guidance provided by platforms, not too dissimilar to trends observed from FY20-25 (post-FSRC[5]), in aggregate driving +17% pa compound net inflow growth over the forecast period. We also incorporate Lonsec's historical compound market share growth of +1% pa and include a further +2% pa to capture industry fragmentation and an acquisition track record, including Integrated Portfolios in FY23. Our forecasts are confirmed by NMG Consulting's FY25-30E projections which estimate compound growth across key market segments, including +22% pa tailored SMAs and +16% pa off-the-shelf SMAs. GDG also provided outlook commentary, highlighting that acquisitions will continue to be evaluated for earnings accretion with capability enhancement/client reach. This will be selective and reliant on 1) size – noting the opportunity cost of capital; and 2) integration being a key pillar.

Figure 49 - Bell Potter pro-forma and fct managed account FUM



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 50 - Commissioned FUM projections could reach $474bn



SOURCE: COMPANY DATA AND NMG CONSULTING

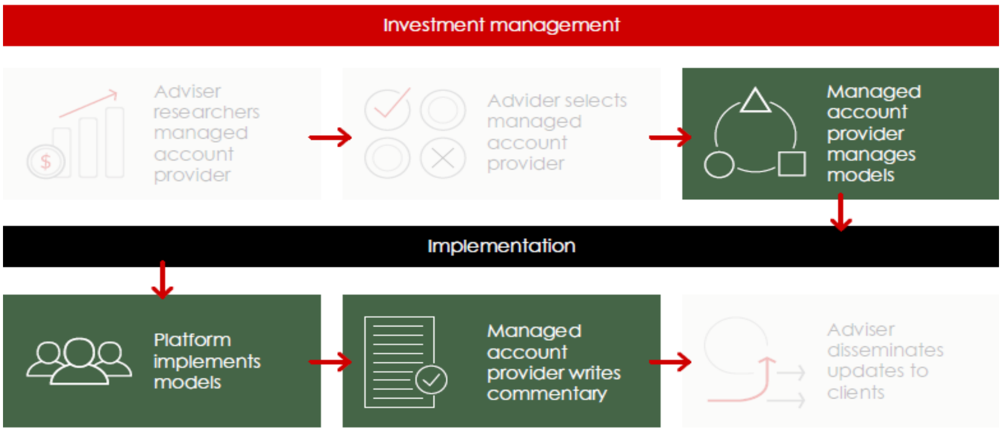
Evidentia has progressed -20% below expectations set at the time of acquisition – however the integration is now complete, having achieved 100% client retention ahead of schedule. GDG also provided positive guidance commentary, including the acquisition of seven new tailored managed account clients post transaction – expected to increase inflows – and a strong growth pipeline for potential new mandates and accounts. These are targeted and likely to convert in FY26E. GDG will also report FUM on a consolidated basis from FY26E. Given integration and strong traction in the tailored SMA market, we utilise a combination of 1) company acquisition growth forecasts from FY25-26E; and 2) expectations for +23% pa compound tailored SMA growth thereafter. This applies to Evidentia in particular.

Managed accounts enable advisers to service a greater number of clients more efficiently. Benefits include lower administrative and compliance burden, such as tax and performance reporting tasks. Clients receive regular updates on holdings and the timing of investment decisions, including parameters for investment exclusion, trade size and tax preferences. Additionally, managed accounts can consolidate trading activity, resulting in lower buy-sell spreads compared to unitised managed funds.

Evidentia FUM closed FY25 $14.8bn vs. acquisition forecasts of $18.5m, growing +59% on $9.3bn from FY24, with the first product launched less than 5-years ago. The team has on average +23-years of experience and competes primarily on personalisation as opposed to price.

[5] Financial Services Royal Commission (FSRC) increased professional standards, examined fee structures within managed funds and emphasised legal obligation to act in the best interests of the client

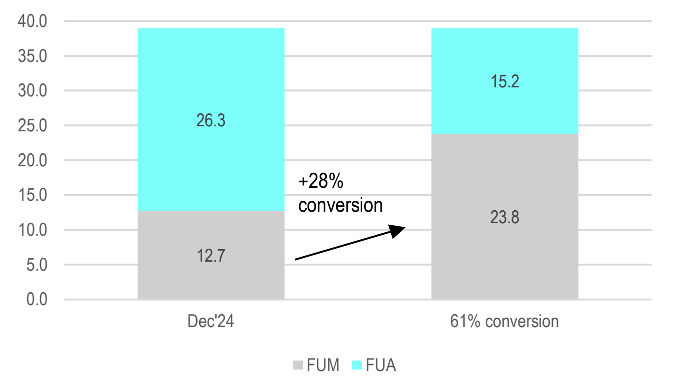
Figure 51 - Managed accounts streamline advice, saving on average 22.8 hours per week



SOURCE: ALLAN GRAY AUSTRALIA.

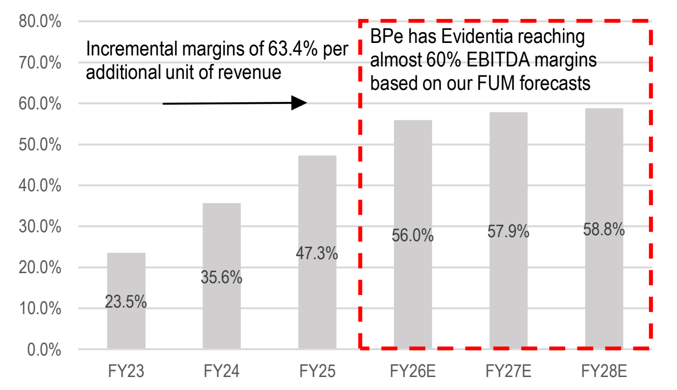
GDG provided +$25.0m run-rate EBITDA contribution guidance in its transaction overview. This was predicated on blended FY25-26E forecast revenue margins and converting part of the existing client back-book, representing an additional +$11.1bn, which implies FY26E run-rate EBITDA margins of 63.4% (versus 49.1% FY25) – showing the benefits of scale – and lowers the upfront acquisition multiple when extrapolated on a post-synergies basis.

Figure 52 - Evidentia has additional non-managed accounts FUA



SOURCE: COMPANY DATA

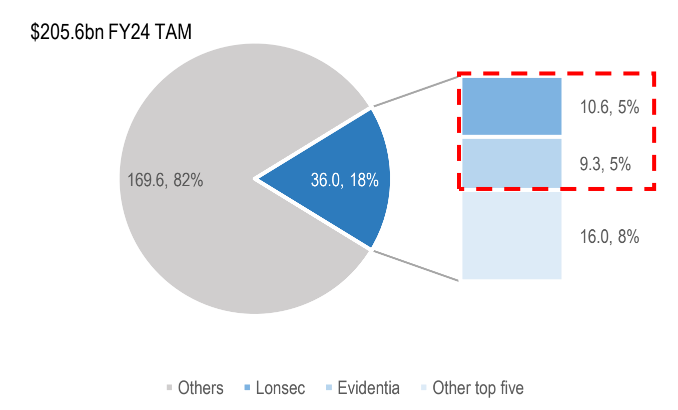
Figure 53 - And company guidance factors in growing margins



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

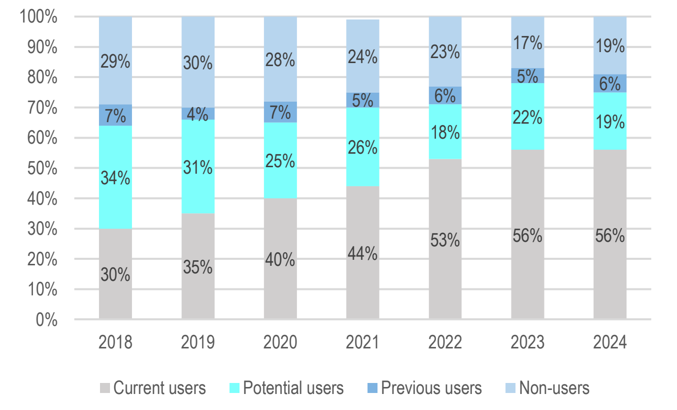
Pro-forma, GDG holds a market-leading position in managed accounts, with 10% market share. We are attracted to the growth runway and expect GDG to capture further market share, along with more advisers recognising the benefit of managed accounts. The top five providers command ~15% of the market share, indicating potential for consolidation.

Figure 54 - GDG leads FY24 market share post consolidation



SOURCE: COMPANY DATA

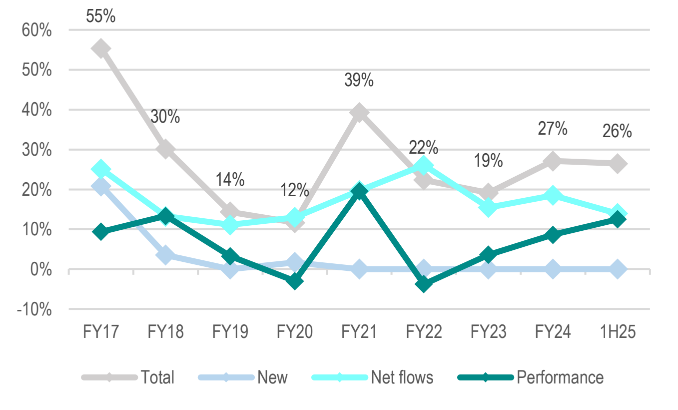
Figure 55 - Now 56% of financial advisers use managed accounts



SOURCE: IMAP AND MILLIMAN

Lonsec has a strong track record, gradually increasing its market share from FY18-25 at a rate that outstrips the growth of other lower-quality legacy solutions and benefitted from an acquisition that added +1.2% in FY23 (measured on the total addressable market).

Figure 56 - Managed account entrants are down, growing on flows



SOURCE: IMAP AND BELL POTTER SECURITIES ESTIMATES

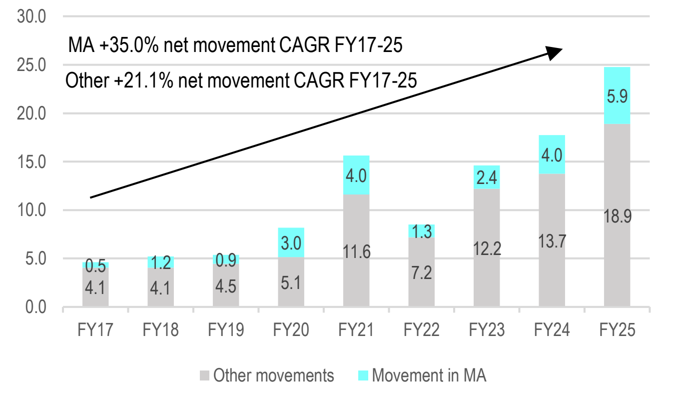
Figure 57 - Lonsec market share is ~6% and continues to grow

FUM	FY18	FY19	FY20	FY21	FY22	FY23	FY24	1H25
SMA/MIS ($bn)	20.6	25.6	28.1	51.1	70.6	94.9	129.0	148.0
MDA ($bn)	27.3	29.2	35.3	48.0	50.6	50.9	52.4	58.3
Serviceable addressable market ($bn)	47.9	54.8	63.3	99.1	121.2	145.8	181.4	206.3
Lonsec businesses ($bn)	0.2	0.4	0.7	2.0	3.6	8.8	10.6	12.7
Market share (%)	0.4%	0.7%	1.1%	2.0%	3.0%	6.0%	5.9%	6.2%
Total uplift (%)		0.3%	0.4%	0.9%	1.0%	3.1%	-0.2%	0.6%
Organic uplift (%)		0.3%	0.4%	0.9%	1.0%	1.8%	-0.2%	0.6%
Acqn uplift (%)		0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%
Other ($bn)	14.5	16.6	16.4	11.9	14.6	16.0	24.2	
Total addressable market ($bn)	62.4	71.4	79.7	111.0	135.8	161.7	205.6	206.3
Lonsec businesses ($bn)	0.2	0.4	0.7	2.0	3.6	8.8	10.6	12.7
Market share (%)	0.3%	0.6%	0.9%	1.8%	2.7%	5.4%	5.2%	5.5%
Total uplift (%)		0.2%	0.3%	0.9%	0.8%	2.8%	-0.3%	0.6%
Organic uplift (%)		0.2%	0.3%	0.9%	0.8%	1.6%	-0.3%	0.6%
Acqn uplift (%)		0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%

SOURCE: COMPANY DATA, PFL AND BELL POTTER SECURITIES ESTIMATES

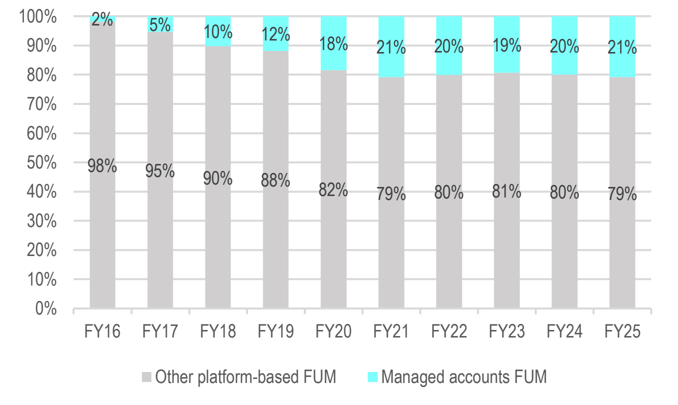
GDG also holds strategic relationships with investment platforms that have experienced a strong FUM growth – reporting a proportional increase in managed accounts adoption. Our platform net flow forecasts and optimistic company guidance affirm GDG's growth potential from FY25-28E.

Figure 58 - NWL managed account FUM has grown at +35% CAGR



SOURCE: COMPANY DATA

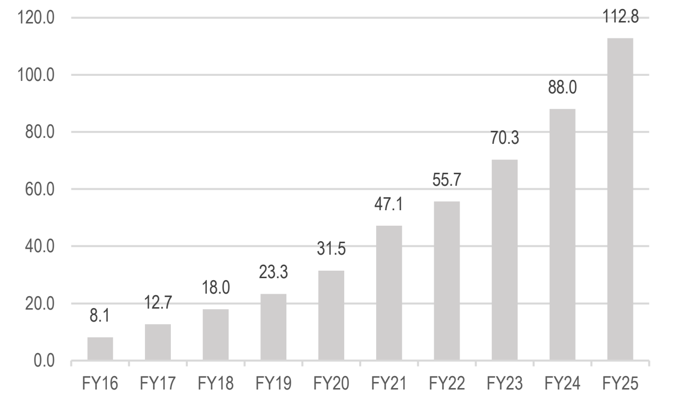
Figure 59 - And proportionately higher given the adviser use-case



SOURCE: COMPANY DATA

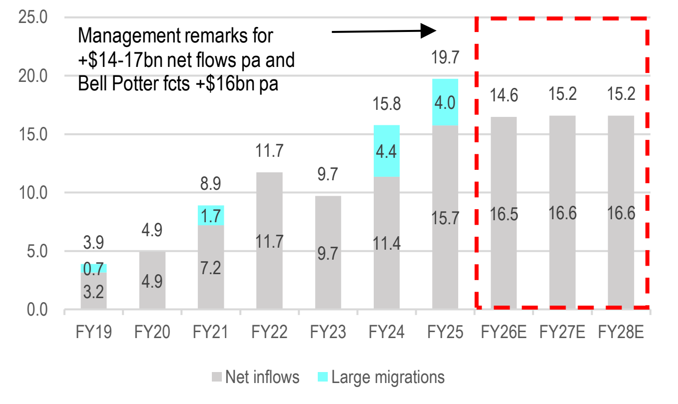
High flow forecasts for third party platforms also underwrite our growth estimates for GDG.

Figure 60 - NWL managed funds have scaled with higher FUM



SOURCE: COMPANY DATA

Figure 61 - Our fcts are supported by strong HUB flow estimates



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Financials

Historical and forecast P&L

We forecast compound growth in revenues of +26%, driving +32% growth in EBITDA over the same timeframe. Our earnings drivers principally relate to Lonsec / Evidentia managed accounts – with combined FUM, revenue and EBITDA growth of +27%/+28%/+34% from FY25-28E. We model GDG achieving upper end of its targeted revenue growth threshold for FY26E (38-46%) after the integration and alignment of both businesses. This implies $40m maximum earn out for Evidentia vendors on 100% basis.

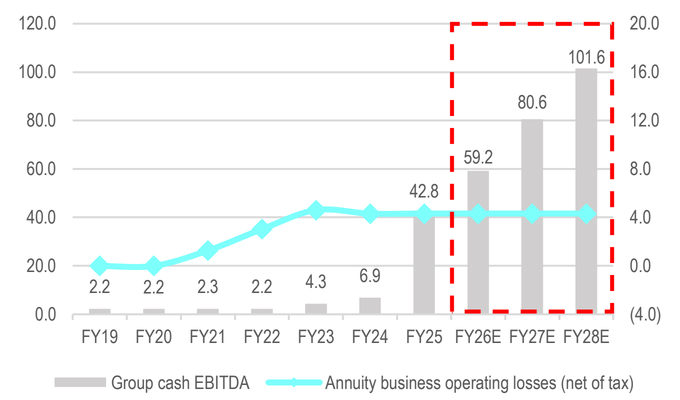
Figure 62 - Historical and forecast P&L (A$m)

Year ending 30 June	2019a	2020a	2021a	2022a	2023a	2024a	2025a	2026e	2027e	2028e
Generation Life	12.1	15.3	19.5	25.9	29.5	36.9	48.7	61.7	74.0	87.9
Lonsec	0.0	0.0	0.0	0.0	0.0	0.0	72.1	81.5	93.8	107.2
Evidentia	0.0	0.0	0.0	0.0	0.0	0.0	6.7	35.8	48.3	58.5
Total Revenue	**12.1**	**15.3**	**19.5**	**25.9**	**29.5**	**36.9**	**127.6**	**178.9**	**216.1**	**253.5**
Acquired growth (incremental)	0.0	0.0	0.0	0.0	0.0	0.0	78.9	9.8	0.0	0.0
Acquisitions (%)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*214.0%*	*7.7%*	*0.0%*	*0.0%*
Organic (%)		*26.3%*	*28.1%*	*32.6%*	*13.8%*	*24.9%*	*32.1%*	*32.6%*	*20.8%*	*17.3%*
Generation Life	(0.5)	(0.9)	(1.4)	(1.5)	(0.6)	0.5	3.1	(2.1)	1.3	5.0
Lonsec	0.0	0.0	0.0	0.0	0.0	0.0	33.0	36.9	44.2	52.2
Evidentia	0.0	0.0	0.0	0.0	0.0	0.0	3.3	20.0	27.9	34.4
Adjusted EBITDA (pre-annuity)	**(0.5)**	**(0.9)**	**(1.4)**	**(1.5)**	**(0.6)**	**0.5**	**39.4**	**54.9**	**73.4**	**91.6**
Growth (%)		*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*39.2%*	*33.7%*	*24.8%*
EBITDA margin (%)	*-4.5%*	*-6.0%*	*-7.2%*	*-5.9%*	*-1.9%*	*1.5%*	*30.9%*	*30.7%*	*34.0%*	*36.1%*
Depreciation & amortisation	(0.4)	(0.8)	(0.9)	(1.3)	(1.8)	(1.8)	(5.5)	(6.0)	(7.0)	(7.8)
EBIT	**(1.0)**	**(1.7)**	**(2.3)**	**(2.9)**	**(2.4)**	**(1.2)**	**33.9**	**48.9**	**66.4**	**83.8**
Net interest income	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(1.9)	(2.6)	(0.6)	(0.6)
Tax benefit - Life	3.2	4.6	6.5	9.3	10.7	11.7	13.7	16.9	20.3	24.1
Underlying profit after tax benefit	**2.3**	**2.8**	**4.1**	**6.3**	**8.2**	**10.3**	**45.7**	**63.2**	**86.1**	**107.3**
Tax expense	0.0	0.0	(0.1)	(0.0)	(0.0)	(1.2)	(11.2)	(17.0)	(23.8)	(30.2)
Annuity business costs	0.0	0.0	(1.3)	(3.0)	(4.6)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
Underlying NPAT	**2.3**	**2.8**	**2.8**	**3.3**	**3.6**	**4.8**	**30.2**	**42.0**	**58.0**	**72.8**
Investment in associates	0.0	0.0	0.6	2.0	3.6	6.4	0.0	0.0	0.0	0.0
Other	3.0	(4.5)	(0.8)	(3.5)	(2.7)	(5.4)	8.0	(10.0)	(9.3)	(8.6)
NPAT post abnormals	**5.3**	**(1.6)**	**2.5**	**1.9**	**4.5**	**5.8**	**38.2**	**32.0**	**48.7**	**64.2**
Growth (%)		*25.2%*	*-1.0%*	*19.0%*	*8.6%*	*34.4%*	*523.2%*	*38.9%*	*38.2%*	*25.6%*
NPAT margin (%)	*18.6%*	*18.5%*	*14.3%*	*12.8%*	*12.2%*	*13.2%*	*23.7%*	*23.5%*	*26.8%*	*28.7%*
Basic core EPS (¢p/s)	1.8	2.2	1.8	1.8	1.9	2.1	9.1	10.7	14.8	18.5
Dividend (¢p/s)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Payout (%)	*111.4%*	*89.2%*	*126.3%*	*112.1%*	*104.7%*	*111.6%*	*26.0%*	*18.7%*	*13.5%*	*10.8%*

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

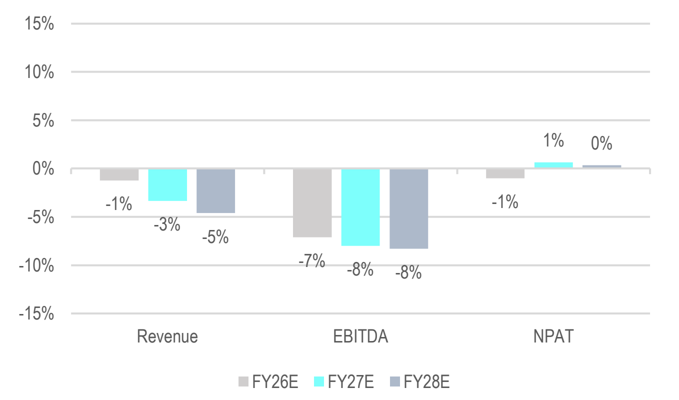
We model $20.0m of Evidentia EBITDA after full contribution which implies +157% growth from FY25-26E. This is aligned with deal-stage expectations, reflecting: 1) return to growth following integration and client retention; and 2) numerous new client wins, expected to go-live as soon as 1H26E.

Figure 63 - Cash EBITDA improvement, despite higher investment



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 64 - Our NPAT forecasts differ from consensus -/+1%

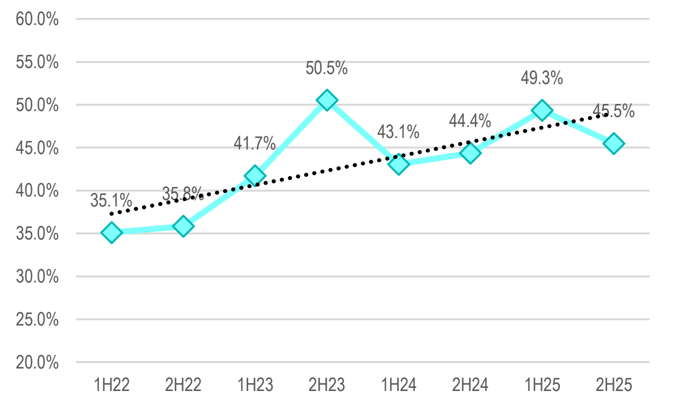


SOURCE: VISIBILE ALPHA AND BELL POTTER SECURITIES ESTIMATES

Management has flagged that one-time investment will be elevated in FY26E at the Group level, with benefits flowing through FY27-28E. Our forecast cash EBITDA margins remain intact and then improve, notwithstanding the impact of investment initiates. We are slightly above consensus across NPAT and modestly lower at EBITDA, driven by our capitalised cost treatment.

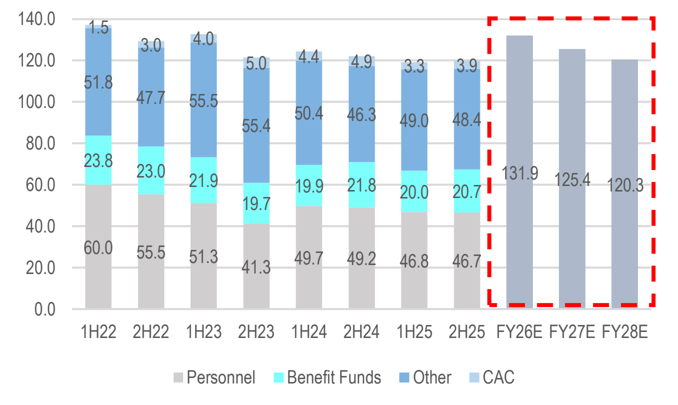
We see good scope for operating leverage. Investment bond FUM grew +34% from FY24-25 and outpaced operating expense growth of +26% to $45.6m within Generation Life. The majority of spend was directed towards staff ($17.9m). Including other direct product costs, contribution margins have continued to increase in the segment, suggesting potential as scale continues to build in the sales pipeline. We expect leverage on the CAC and other expenses from FY27E. Adding back the tax benefit, our forecast Generation Life EBITDA of $14.9m in FY26E is modestly lower than the pcp (FY25 $16.8m).

Figure 65 - Positive Generation Life contribution margin trajectory



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

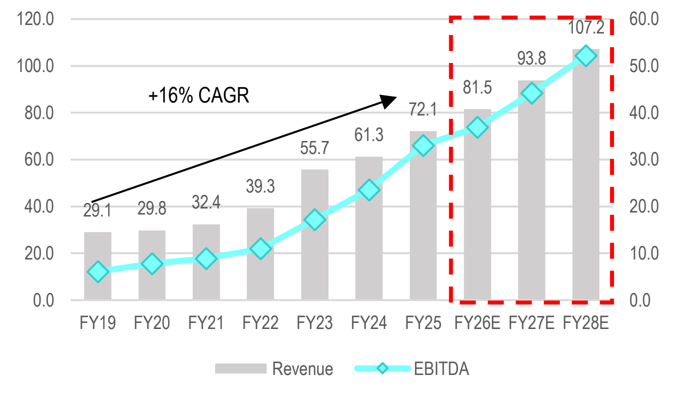
Figure 66 - All cost line items are down as a bps of the Life FUM



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

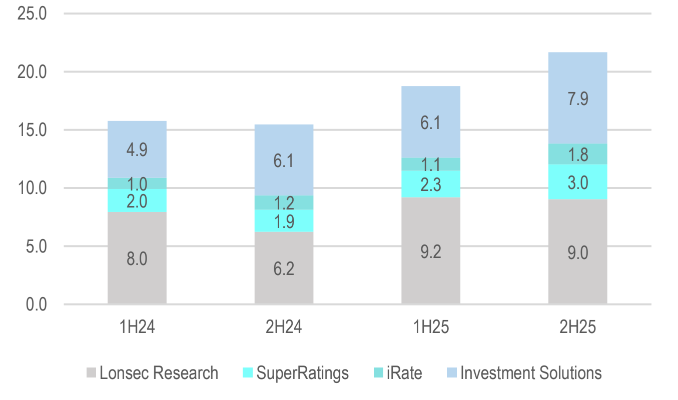
Lonsec revenue grew +18% from $61.3m to $72.1m in FY25. Including technology, risk and compliance spend, total gross profit as a percent of revenue also increased from 51% in FY24 to 56% in FY25. This was driven by broad improvements across SuperRatings, iRate and Lonsec Research. Higher premium out-of-cycle reviews contributed to the uplift. We believe Investment Solutions has material untapped potential as it continues to scale. Our expectation is for the former normalise, with EBITDA margin expansion underpinned by Investment Solutions from FY25-28E.

Figure 67 - Historical and forecast pro-forma Lonsec financials



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTMATES

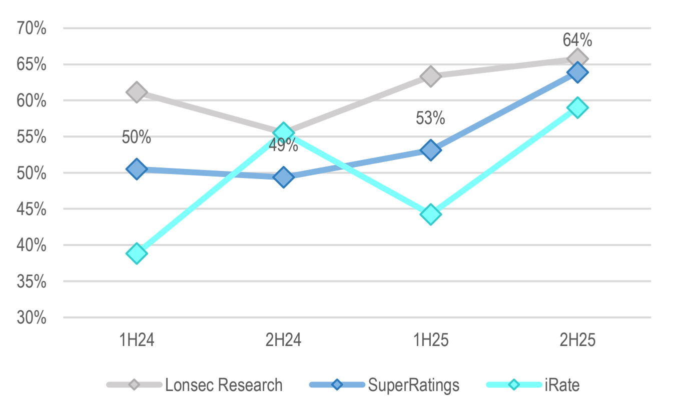
Figure 68 - Research had the highest contribution at gross profit



SOURCE: COMPANY DATA

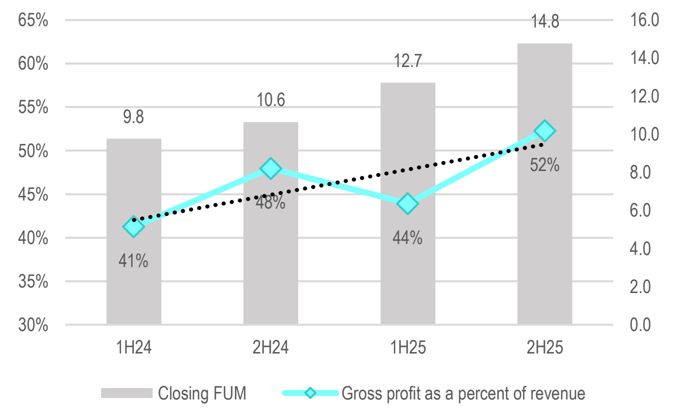
FY25 indirect costs of $7.4m were allocated across Research and Ratings and Investment Solutions (FY24 $7.7m). Given the aggressive cost attribution, and improved gross profit, we see a stable and good cost structure. Our forecasts allow for reinvestment in FY26E, in-line with outlook remarks, with margin expansion of +3ppts to 48.7% by FY28E.

Figure 69 - Research and Ratings gross profit margin trends



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 70 - Investment Solutions gross profit margin trends



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Historical and forecast Financial Position and Cash

GDG is well capitalised with sources of liquidity at balance date comprising $25m from the BlackRock alliance, $20m for regulatory requirements and $20m from prior capital raisings. Leaves $115m unrestricted cash. We expect $83m of contingent liabilities relating to the earn out entitlements for Lonsec and Evidentia. Post-balance date, GDG has entered into a $50m facility agreement with one of the major banks. Management flagged a large portion would be drawn to fund the after-sale consideration, leaving GDG with $50m of unrestricted cash – depending on the level of debt drawn ($30m / 60% utilisation in our example), and following the payment of our forecast dividend. Pro-forma, GDG would be well placed to support growth aspirations, pursue bolt-ons and fund any future earn outs.

Our intangibles forecast principally has goodwill, customer relationships and trade names from acquisition. Internally generated computer software comprised $14.1m / 2% of assets as at balance date. Capitalised costs-to-sales have averaged 4% from FY19-25, which we believe provides greater transparency and earnings quality. Our forecast intangibles is in-line with precedence. We apply an incremental amortisation rate of 30%. In addition, we forecast acquisition amortisation of $9-10m (below the line) from inherited assets – at the midpoint of the 11-17-year useful life for customer relationships and brand names ($140m).

Figure 71 - Historical and forecast Balance Sheet (A$m)

Year ending 30 June	2019a	2020a	2021a	2022a	2023a	2024a	2025a	2026e	2027e	2028e
Cash & cash equivalent	24.0	62.1	95.1	89.4	93.7	259.8	180.2	136.2	186.6	251.7
Trade receivables	1.5	1.4	1.7	6.9	1.2	1.0	27.3	34.3	41.4	48.6
Current assets	**25.5**	**63.5**	**96.8**	**96.3**	**94.9**	**260.8**	**207.5**	**170.5**	**228.0**	**300.4**
P,P&E	0.4	0.3	0.8	0.5	0.4	0.3	1.5	1.5	1.5	1.5
Intangibles	1.2	1.5	1.6	3.2	2.8	2.1	731.1	723.5	716.0	709.4
Other	1,088.4	1,261.7	1,813.6	2,150.2	2,646.3	3,391.4	4,574.4	4,584.8	4,584.8	4,584.8
Non-current assets	**1,089.9**	**1,263.5**	**1,816.0**	**2,153.9**	**2,649.5**	**3,393.8**	**5,307.0**	**5,309.7**	**5,302.3**	**5,295.7**
Total assets	**1,115.4**	**1,327.0**	**1,912.8**	**2,250.2**	**2,744.4**	**3,654.6**	**5,514.6**	**5,480.2**	**5,530.3**	**5,596.0**
Trade payables	1.3	2.0	4.7	6.9	10.5	16.9	36.4	47.6	54.7	62.1
Contingent consideration	0.0	0.0	0.0	0.0	0.0	0.0	72.8	0.0	0.0	0.0
Provisions	0.7	0.8	1.1	1.4	1.6	1.9	6.5	9.7	11.7	13.7
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**2.0**	**2.7**	**5.8**	**8.3**	**12.1**	**18.8**	**115.7**	**57.2**	**66.4**	**75.8**
Lease liabilities	0.0	0.5	4.8	4.2	3.8	3.5	7.0	7.0	7.0	7.0
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1,092.8	1,306.4	1,850.8	2,180.3	2,669.5	3,420.9	4,691.5	4,691.5	4,691.5	4,691.5
Non current liabilities	**1,092.8**	**1,306.9**	**1,855.5**	**2,184.5**	**2,673.3**	**3,424.4**	**4,698.5**	**4,698.5**	**4,698.5**	**4,698.5**
Total liabilities	**1,094.7**	**1,309.6**	**1,861.3**	**2,192.9**	**2,685.3**	**3,443.2**	**4,814.2**	**4,755.8**	**4,764.9**	**4,774.3**
Net assets	**20.7**	**17.4**	**51.5**	**57.4**	**59.1**	**211.4**	**700.4**	**724.5**	**765.4**	**821.7**
Share capital	45.0	45.2	79.1	88.5	89.0	239.6	699.8	699.8	699.8	699.8
Reserves	3.0	3.6	4.2	18.8	31.4	52.1	73.4	73.4	73.4	73.4
Retained earnings	(27.3)	(31.4)	(31.9)	(49.9)	(61.4)	(80.3)	(72.8)	(48.7)	(7.8)	48.5
Total equity	**20.7**	**17.4**	**51.5**	**57.4**	**59.1**	**211.4**	**700.4**	**724.5**	**765.4**	**821.7**

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The large other non-current assets / liabilities relate to amounts invested by benefit funds and contractual obligations of GDG.

Our forecast dividend of 2cps is unchanged from FY19-25, reflecting growth ambitions and prudential capital management. There remains significant scope to increase this over time after the completion of earn outs.

Figure 72 - Historical and forecast Cash Flow (A$m)

Year ending 30 June	2019a	2020a	2021a	2022a	2023a	2024a	2025a	2026e	2027e	2028e
EBITDA	(0.5)	(0.9)	(1.4)	(1.5)	(0.6)	0.5	39.4	54.9	73.4	91.6
Changes in working capital	0.0	0.8	2.5	(3.0)	9.2	6.7	(6.8)	4.2	0.0	0.2
Changes in provisions	0.0	0.1	0.3	0.3	0.1	0.3	4.6	3.2	2.0	2.0
Interest expense	3.5	1.8	0.9	(0.1)	0.6	1.2	8.2	(2.6)	(0.6)	(0.6)
Tax (net Life benefit)	2.5	4.1	5.2	8.1	9.5	12.1	(11.0)	(0.1)	(3.5)	(6.1)
Other operating items	(3.6)	31.6	17.0	1.2	(7.6)	(3.3)	(12.6)	(4.3)	(4.3)	(4.3)
Operating cashflow	**1.9**	**37.5**	**24.4**	**5.0**	**11.2**	**17.6**	**21.9**	**55.3**	**67.0**	**82.8**
AASB 16 lease principal	0.0	(0.9)	(0.5)	(0.7)	(0.8)	(0.9)	(1.9)	(1.8)	(1.8)	(1.8)
Lease adjusted OCF	**1.9**	**36.5**	**24.0**	**4.4**	**10.4**	**16.7**	**20.0**	**53.5**	**65.2**	**81.0**
Capex	(0.5)	(0.6)	(1.1)	(1.9)	(0.4)	(0.1)	(4.1)	(6.5)	(7.0)	(8.0)
Free cashflow	**1.4**	**35.9**	**22.9**	**2.5**	**10.0**	**16.5**	**15.9**	**47.0**	**58.2**	**73.0**
Dividends paid	(2.5)	(2.5)	(2.9)	(3.3)	(3.6)	(3.5)	(9.1)	(7.9)	(7.9)	(7.9)
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	(3.0)	0.0	(21.0)	0.0	0.0	0.0	(372.2)	(83.2)	0.0	0.0
Other investing items	5.1	4.5	0.4	(4.9)	(2.2)	3.3	0.9	0.0	0.0	0.0
Equity issues/(reduction)	0.5	0.2	33.7	0.0	0.0	149.9	304.2	0.0	0.0	0.0
Change in borrowings	0.0	0.0	0.0	0.0	0.0	0.0	(19.3)	0.0	0.0	0.0
Increase in cash/(debt)	**1.4**	**38.1**	**33.0**	**(5.7)**	**4.2**	**166.2**	**(79.6)**	**(44.0)**	**50.4**	**65.2**

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Board & Management

Board

Rob Coombe – Chairman

Mr. Coombe has over 40 years' experience as an executive in financial services, including Westpac's Australian Retail, Business and Agribusiness banking. He was previously CEO of BT Financial Group, and brings experience external to financial services, including CEO then Chairman of Craveable Brands, overseeing its sale to PAG. Mr. Coombe also serves as Non-Executive Chair of Colonial First State, and is Chair of Tibra Capital, Expert360, and a member of the Advisory Board of Five V Capital.

Peter Smith – Executive Director

Mr. Smith has over 40 years' experience in executive, Board and different business owner roles. He has operated in wealth management during his career, having previously held positions in Macquarie Bank Investment Management, NAB/MLC and as CEO of Godfrey Pembroke. Mr. Smith is the Executive Chairman and Co-Founder of Evidentia Group.

Bill Bessemer – Non-Executive Director

Mr. Bessemer has over 40 years' experience, specialising in mergers and acquisitions and restructuring. He has previously held the roles of CEO and Chairman, having been at the predecessor Austock Group since 1995.

Christine Christian AO – Non-Executive Director

Mrs. Christian has over 30 years' experience, distinguished in executive and advisory roles to the financial and investment sectors, women in business, and supporting entrepreneurs. Mrs. Christian holds non-executive director roles with Arcus Partners and MaxCap Group, having previously served as a non-executive director of Lonsec from 2016-2024.

Giselle Collins – Non-Executive Director

Mrs. Collins has extensive experience across property, tourism and financial services. Mrs. Collins is currently an executive of the Responsible Entity for AMP's registered managed investment scheme and sits on two unlisted Boards, including Journey Beyond and Videri Australia. Mrs. Collins past Board experiences includes Hotel Property Investments, Pacific Smiles Group and Cooper Energy.

Key management

Grant Hackett OAM – Chief Executive Officer

Mr. Hackett brings over 18 years' experience in financial services, having held senior roles at Westpac and BT Financial Group. Mr. Hackett was appointed as CEO of the Group in 2025, after serving as CEO of Generation Life since 2018, where he led the growth of FUM from $700m to more than $4bn. Prior to his corporate career, Mr. Hackett was a multiple Olympic, Commonwealth and World Champion swimmer.

Terence Wong – Chief Financial Officer

Mr. Wong has business strategy experience and has led transactions, executing on deals. He joined the Group as CFO in 2018 and previously held positions at Credit Suisse and Deloitte, prior to leading Corporate Finance at EnergyAustralia.

Felipe Araujo – Chief Executive Officer & Managing Director, Generation Life

Mr. Araujo has worked in the financial services industry for over 14 years, across Australia and Brazil and has played an increasingly active role at Generation Life since joining in 2017. Mr. Araujo held senior positions at Westpac, including in Premium Wealth Services.

Generation Development

as at 22 September 2025

Recommendation	Buy
Price	$7.11
Target (12 months)	$8.20

Table 1 - Financial summary

June Year End

Profit & Loss (A$m)	2024	2025	2026e	2027e	2028e
Sales revenue	36.9	127.6	178.9	216.1	253.5
. . . % Change	24.9%	246.1%	40.2%	20.8%	17.3%
EBITDA	0.5	39.4	54.9	73.4	91.6
. . . % Change	NM	Lrg	39.2%	33.7%	24.8%
D&A	(1.8)	(5.5)	(6.0)	(7.0)	(7.8)
EBIT	(1.2)	33.9	48.9	66.4	83.8
Interest expense	(0.1)	(1.9)	(2.6)	(0.6)	(0.6)
Income tax benefit - Life	11.7	13.7	16.9	20.3	24.1
Profit after tax benefit	**10.3**	**45.7**	**63.2**	**86.1**	**107.3**
Tax	(1.2)	(11.2)	(17.0)	(23.8)	(30.2)
Annuity business costs	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
Underlying NPAT	**4.8**	**30.2**	**42.0**	**58.0**	**72.8**
Abs. & extras	1.0	8.0	(10.0)	(9.3)	(8.6)
Reported NPAT	**5.8**	**38.2**	**32.0**	**48.7**	**64.2**

Cashflow (A$m)	2024	2025	2026e	2027e	2028e
EBITDA	0.5	39.4	54.9	73.4	91.6
Change in working capital	6.7	(6.8)	4.2	0.0	0.2
Change in provisions	0.3	4.6	3.2	2.0	2.0
Interest expense	1.2	8.2	(2.6)	(0.6)	(0.6)
Tax paid	12.1	(11.0)	(0.1)	(3.5)	(6.1)
Other	(3.3)	(12.6)	(4.3)	(4.3)	(4.3)
Operating cashflow	**17.6**	**21.9**	**55.3**	**67.0**	**82.8**
AASB 16 leases	(0.9)	(1.9)	(1.8)	(1.8)	(1.8)
Lease adjusted cashflow	**16.7**	**20.0**	**53.5**	**65.2**	**81.0**
Capex	(0.1)	(4.1)	(6.5)	(7.0)	(8.0)
Free cashflow	**16.5**	**15.9**	**47.0**	**58.2**	**73.0**
Dividends paid	(3.5)	(9.1)	(7.9)	(7.9)	(7.9)
Other	3.3	(371.3)	(83.2)	(0.0)	0.0
Share issues/(reduction)	149.9	304.2	-	-	-
Change in borrowings	-	(19.3)	-	-	-
Net change in cash	**166.2**	**(79.6)**	**(44.0)**	**50.4**	**65.2**

Balance Sheet (A$m)	2024	2025	2026e	2027e	2028e
Cash & cash equiv.	259.8	180.2	136.2	186.6	251.7
Receivables	1.0	27.3	34.3	41.4	48.6
Current assets	**260.8**	**207.5**	**170.5**	**228.0**	**300.4**
Right-of-use assets	3.3	5.9	5.9	5.9	5.9
P,P&E	0.3	1.5	1.5	1.5	1.5
Intangibles	2.1	731.1	723.5	716.0	709.4
Other	3,388.1	4,568.5	4,578.9	4,578.9	4,578.9
Non current assets	**3,393.8**	**5,307.0**	**5,309.7**	**5,302.3**	**5,295.7**
Total assets	**3,654.6**	**5,514.6**	**5,480.2**	**5,530.3**	**5,596.0**
Payables	16.9	36.4	47.6	54.7	62.1
Provisions	1.9	6.5	9.7	11.7	13.7
Borrowings	-	-	-	-	-
Current liabilities	**18.8**	**115.7**	**57.2**	**66.4**	**75.8**
Lease liabilities	3.5	7.0	7.0	7.0	7.0
Borrowings	-	-	-	-	-
Other	3,420.9	4,691.5	4,691.5	4,691.5	4,691.5
Non current liabilities	**3,424.4**	**4,698.5**	**4,698.5**	**4,698.5**	**4,698.5**
Total liabilities	**3,443.2**	**4,814.2**	**4,755.8**	**4,764.9**	**4,774.3**
Net assets	**211.4**	**700.4**	**724.5**	**765.4**	**821.7**
Share capital	239.6	699.8	699.8	699.8	699.8
Reserves	52.1	73.4	73.4	73.4	73.4
Retained earnings	(80.3)	(72.8)	(48.7)	(7.8)	48.5
Shareholder funds	**211.4**	**700.4**	**724.5**	**765.4**	**821.7**
Net debt/(cash)	(259.8)	(180.2)	(136.2)	(186.6)	(251.7)

Price	$7.11
Recommendation	Buy
Shares on Issue (m)	396.8
Market Cap ($m)	2,821.0
Target Price (A$ps)	$8.20

Valuation Ratios	2024	2025	2026e	2027e	2028e
Core EPS (¢ps)	2.1	9.1	10.7	14.8	18.5
. . . % Change	9.7%	331.5%	17.3%	38.2%	25.6%
PER (x)	336.8	78.1	66.6	48.2	38.3
EV/EBITDA (x)	0.0	66.5	47.7	35.7	28.6
EV/EBIT (x)	0.0	77.3	53.6	39.4	31.3
NTA ($ps)	0.8	-0.1	0.0	0.1	0.3
P/NTA (x)	9.2	-90.7	2827.7	56.6	24.9
DPS (¢ps)	2.0	2.0	2.0	2.0	2.0
Payout (%)	94.7%	22.0%	18.7%	13.5%	10.8%
Yield (%)	0.3%	0.3%	0.3%	0.3%	0.3%
Franking (%)	75%	100%	100%	100%	100%

Performance Ratios	2024	2025	2026e	2027e	2028e
EBITDA/sales (%)	1.5%	30.9%	30.7%	34.0%	36.1%
EBIT/sales (%)	-3.3%	26.6%	27.3%	30.7%	33.1%
OCF realisation (%)	145.6%	42.7%	79.9%	71.9%	71.9%
FCF realisation (%)	160.3%	34.7%	74.3%	67.6%	68.1%
ROE (%)	7.6%	10.0%	8.9%	11.6%	13.5%
ROA (%)	0.3%	1.0%	1.2%	1.6%	1.9%
ROIC (%)	2.9%	14.4%	8.8%	11.4%	14.6%
Fixed asset turnover	0.3	7.1	9.2	10.5	11.8
Capex/depn (x)	0.1	0.8	1.1	1.0	1.0
Interest cover (x)	(8.86)	17.77	19.08	118.03	148.96
Net debt/EBITDA (x)	(472.42)	(4.57)	(2.48)	(2.54)	(2.75)
Net debt/equity (%)	-122.9%	-25.7%	-18.8%	-24.4%	-30.6%

Segment Revenue (A$m)	2024	2025	2026e	2027e	2028e
Generation Life	36.9	48.7	61.7	74.0	87.9
Lonsec	-	72.1	81.5	93.8	107.2
Evidentia	-	6.7	35.8	48.3	58.5
Total	**36.9**	**127.6**	**178.9**	**216.1**	**253.5**

Segment EBITDA (A$m)	2024	2025	2026e	2027e	2028e
Generation Life	0.5	3.1	(2.1)	1.3	5.0
Lonsec	-	33.0	36.9	44.2	52.2
Evidentia	-	3.3	20.0	27.9	34.4
Total	**0.5**	**39.4**	**54.9**	**73.4**	**91.6**

FUM Assumptions (A$m)	2024	2025	2026e	2027e	2028e
Generation Life	3,299	4,403	5,319	6,349	7,485
Lonsec	-	14,767	18,158	22,240	27,239
Evidentia	-	14,824	22,837	27,971	33,565
Total	**3,299**	**33,994**	**46,314**	**56,559**	**68,289**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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