

18 August 2023

 ASX Limited
 ASX Market Announcements Office
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Magellan Financial Group Ltd

Full year results for the period ended 30 June 2023 (FY23)

- **Solid progress made on FY23 priorities and executing Magellan’s 5-year growth strategy**
- **Total ordinary and special dividends for the year of \$1.167 per share**
- **Early signs of investment performance improvement – \$11.5 million in Performance Fees in FY23, predominantly generated by Global Equities Strategy**
- **Disciplined cost management with funds management operating costs:**
 - **\$121.3m in FY23, below guidance of \$125-\$130 million**
 - **FY24 guidance of \$95-\$100 million**
- **\$186.6 million in net operating cash flows, no debt, strong balance sheet**

Results summary	FY23	FY22	Change
Average funds under management (\$ billion)	48.8	94.3	(48%)
Statutory net profit after tax (NPAT) (\$ million)	182.7	383.0	(52%)
Adjusted net profit after tax (\$ million) ¹	174.3	401.0	(57%)
Profit before tax and performance fees of Funds Management business (\$ million)	212.3	471.9	(55%)
Adjusted diluted earnings per share (cents per share) ¹	95.5	216.6	(56%)
Interim and Final dividends plus Performance Fee Dividend (cps)	86.7	179.0	(52%)
Special dividends (cps)	30.0	nil	nm

¹ Adjusted financial measures are adjusted for strategic, non-recurring, non-cash or unrealised items.

Magellan Financial Group Ltd (“**Magellan**” or “**the Group**”) today announced its financial results for the 12 months ended 30 June 2023 (“**FY23**”). The Group reported Statutory NPAT of \$182.7 million and Adjusted NPAT of \$174.3 million. Profit before tax and performance fees of the Funds Management business was \$212.3 million.

For the six months ended 30 June 2023, the Board has declared a **Final Dividend** of 35.6 cents per share (cps) and a **Performance Fee Dividend** of 4.2 cps, taking the **Total Ordinary Dividends** for the 2023 financial year to 86.7 cps, 85% franked.

In line with Magellan's aim to deliver capital efficiency, solid dividends and attractive returns to shareholders, the Board has also declared a **Special Dividend** of 30.0 cps, bringing total ordinary and special dividends to shareholders in FY23 of \$1.167 per share.

Magellan CEO and Managing Director, David George, said: "We have made a solid start to implementing our five-year strategy and have laid a foundation that can return us to growth in time."

"Our primary focus has been on delivering the investment performance we are known for, and we are encouraged that the changes we have made during the year have resulted in improved collaboration, information flow and efficiency. Investment ideas are being brought forward earlier and prioritised more efficiently.

"These changes have facilitated early signs of performance improvement, in particular, in our Global Equities Strategy which outperformed the benchmark over the second half of the financial year and contributed \$11.0 million in performance fees. With meaningful change implemented across our platform, we have now unwound the CEO/CIO structure that was previously announced and reverted to 'business as usual' with Gerald Stack resuming his former role as Head of Investments.

"We are prudently investing in growth initiatives while maximising our existing skills and capabilities to perform for and service clients. We successfully relaunched our Magellan Core Series in March to positive client reception and launched two new products – our Energy Transition Strategy and our Airlie Small Companies Fund – both of which address areas of growing client demand.

"We are confident that by staying on this course, inflows will follow over time.

"We have remained vigilant in managing our costs and capital. Our FY23 Funds Management business operating expenses of \$121.3 million were below our FY23 guidance target range. We anticipate further cost benefits from changes made to flow through in FY24 and onwards, with our FY24 Funds Management business operating expenses expected to be between \$95 million to \$100 million.

"We have a highly profitable business, with strong cash flows and a balance sheet with no debt. We are committed to delivering positive outcomes for our clients and shareholders. Evidence of this is the total ordinary dividends of 86.7 cents per share for the financial year, as well as the special dividend of 30.0 cents per share declared by the Board.

"While we are only one year into our five-year strategy and there is much work to do, we are confident Magellan can evolve into a diversified global fund manager of scale that delivers ongoing sustainable growth and attractive shareholder returns."

Authorised by the Board

About Magellan

Magellan Financial Group is a specialist funds management business established in 2006 and based in Sydney, Australia. Magellan's core operating subsidiary, Magellan Asset Management Limited, manages approximately \$39.2 billion of funds under management at 31 July 2023 across its global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs approximately 115 staff globally. Further information can be obtained from www.magellangroup.com.au.

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