

ASX Announcement

23 October 2024

\$9.9bn

Assets under Management

\$128bn

Managed Loans

\$120bn+

Corporate Advisory & ECM transactions

MA Financial Group 3Q24 operating update

MA Financial Group Limited (“the Group”; ASX: MAF) updates Asset Management fund flows for the nine months to 30 September 2024 and other key operational highlights for the third quarter 2024, as outlined below.

3Q24 (30 September 2024) operational highlights

- Record gross fund inflows (ex. institutional) for 9 months to 30 September 2024 of \$1.6 billion, up 25% on the prior corresponding period (pcp)
- Assets under management (AUM) up 11% on 3Q23 to \$9.9 billion
- Net inflows (ex-institutional) of \$924 million for 9 months to 30 September 2024, up 6% on the pcp
- In addition, \$500 million of commitments have already been received into the Group’s recently announced Australian Real Estate Credit Vehicle for institutional investors
- Finsure grew its managed loans to \$128 billion and added 247 net new brokers in 3Q24
- MA Money loan book up 180% on 3Q23 to over \$1.7 billion
- MA Money reached run rate breakeven monthly earnings in September, and it successfully completed its second Residential Mortgage-Backed Securities issuance in October (\$500 million)
- The Group successfully completed a \$40 million unsecured note offering in September

In 3Q24, the Group continued to experience positive underlying business momentum, including strong Asset Management fund inflows, ongoing growth in Finsure managed loans and broker numbers as well as strong MA Money loan volumes.

However, the macroeconomic environment remains uncertain which typically slows transactional activity, impacting corporate advisory, transaction and performance fees.

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The Group continues to invest in future growth initiatives consistent with prior market disclosure and the adverse earnings impact of the spend is still anticipated to slow materially in 2H24.

Asset Management

- Gross fund inflows (ex. institutional) of \$1,588 million over 9 months to 30 September 2024 were up 25% compared with the pcp.
- Gross inflows continue to be highlighted by strong investor interest in the Group's Private Credit funds.
- The Group continued to experience strong and consistent growth in flows from domestic clients.
- Net flows (ex. institutional) of \$924 million for 9 months to 30 September, up 6% on the pcp.
- While gross inflows continue to grow strongly, some larger HNW international investors seeking liquidity in the period impacted the growth of net inflows.
- Warburg Pincus, through its Warburg Pincus Asia Real Estate Fund, has committed \$490 million to the Group's recently announced Australian Real Estate Credit Vehicle. The fund is on track to exceed its targeted \$700 million of commitments by end FY24 and achieve total targeted commitments of \$1 billion.
- AUM grew to \$9.9 billion at 30 September 24, up from \$8.9 billion at 3Q23.
- Arndale retail shopping centre in Adelaide has been exchanged for sale for \$128 million and is due to settle late FY24 / early FY25. The centre was held in a single asset fund predominately backed by lower fee margin institutional investors.
- As part of the ongoing strategy to diversify its sources of investor equity, the Group is well advanced in the process of launching a Private Credit listed investment trust for potential listing in 1H25.

FUND FLOWS (\$m)	3Q24 YTD ¹		3Q23 YTD ²	
	Gross	Net	Gross	Net
Total flows (ex. institutional)	1,588	924	1,266	872
Institutional flows	2	2	125	122
Total flows (incl. institutional)	1,590	926	1,391	994
Institutional committed capital (not yet deployed) ³	500	500	0	0

Lending and Technology

- The Group's mortgage aggregation and technology platform business, Finsure, grew the number of brokers using its platform to 3,700 at 30 September 2024, up 24% on a year earlier. The 247 net new brokers added in 3Q24 included 62 brokers in New Zealand as Finsure began to onboard brokers following its recent entry into this new market.
- Finsure managed loans rose to \$128 billion at 30 September 2024, up 24% from a year earlier, as the platform continues to grow its broker market share.
- The Group's residential mortgage business, MA Money, grew its loan book to \$1.7 billion at 30 September 2024, up 180% from a year earlier.

¹ Period from 1 January 2024 to 30 September 2024

² Period from 1 January 2023 to 30 September 2023

³ Includes \$10 million commitment from MA Financial Group, in line with its required co-investment of 2% of externally committed capital.

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- MA Money reached break even monthly earnings in September, due to strong volume growth and an improving net interest margin as the business starts to achieve scale.
- In early October, MA Money successfully completed its second \$500 million Residential Mortgage-Backed Securities public term insurance, further diversifying its funding sources and investor base. The terms of the completed RMBS issuance were a material improvement on MA Money's inaugural issuance.

Lending & Technology (at period end)	3Q24	1H24	FY23	3Q23
Finsure brokers on platform	3,700	3,453	3,129	2,984
Finsure managed loans (\$b)	128	121	110	103
MA Money loan book (\$m)	1,705	1,395	829	608

Corporate Advisory and Equities

- The transaction pipeline in the Corporate Advisory (CA) business remains strong with good activity levels in the business.
- Activity remains heavily weighted to M&A, highlighted by the Group's role as exclusive financial advisor to Accolade Wines on its acquisition of Pernod Ricard's winemaking assets and to Mach Metals on its acquisition of Rex Minerals.
- However, equity capital markets activity remains soft and the operating environment continues to be challenging for deal execution timelines. This is consistent with the broader investment banking market.

\$40 million senior unsecured note offering closes oversubscribed⁴

The Group is also pleased to announce that it has successfully closed a \$40 million offering of senior unsecured notes ("Notes"). The fixed rate Notes were priced at 8%, have a maturity date of 30 March 2029 and settled on 30 September 2024. MA Financial used the net cash proceeds of the Notes issued to refinance an existing corporate bond, due 30 September 2024, and for general corporate purposes to support ongoing growth initiatives.

Authorised for release by Joint CEOs MA Financial Group Limited, Chris Wyke and Julian Biggins.

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⁴ The offer was only open to eligible professional and sophisticated investors in accordance with Part 6D.2 of the Corporations Act 2011 (Cth).