

ASX RELEASE.

BELL FINANCIAL GROUP

Bell Financial Group announces \$16.6 million half-year profit after tax, 4.0 cents per share fully franked dividend

15 August 2024

Key points

- Revenue of \$138.7 million, an 18.3% increase on 1H23, the prior corresponding period (pcp)
- Profit after tax of \$16.6 million, a 50% increase on the pcp
- Earnings per share of 5.2 cents, a 49% increase on the pcp
- Ongoing growth in funds under advice which have grown at a compound annual growth rate of 8.1% over the past five years to \$80.5 billion
- Interim dividend of 4.0 cents per share, fully franked, a 33% increase on the pcp
- A solid cash-backed balance sheet with no core debt and \$111.5 million net cash at 30 June 2024
- Growth momentum continues in the Technology & Platforms and Products & Services businesses, with combined revenues of \$41.3 million, up 2.3% on the pcp, representing 29.8% of Group revenue
- Strong growth in the Retail & Institutional broking business, with revenue of 90.7 million, a 20.3% increase on the pcp.

Bell Financial Group Ltd (ASX:BFG) today announced a net profit after tax of \$16.6 million for the half year ended 30 June 2024 (1H24), up 50 per cent on the half year ended 30 June 2023 (1H23). Revenue was \$138.7 million, up 18.3 per cent on 1H23.

Bell Financial Group Co-CEO Dean Davenport said: “This half’s strong result reflects an improved performance in our Retail & Institutional broking business, combined with ongoing momentum in our Technology & Platforms and Products & Services businesses. The numbers clearly highlight the benefits of the Group’s strategy to develop and grow recurring and maintainable revenue streams that both complement and expand beyond traditional broking and leverage the scale advantage we’ve built into the business.”

Ongoing investment in proprietary technology saw the launch of trading on U.S. equities markets in the Bell Direct business, progress in improving digital client onboarding, and early exploration and deployment of AI initiatives. Cost efficiencies remain a focus. The migration of Bell Potter Securities clients to Third Party Platform's proprietary clearing platform is now complete, delivering annualised cost savings in excess of \$2 million.

Retail & Institutional

The Retail & Institutional broking business contributed an underlying profit after tax of \$6.3 million, up materially on 1H23 (950 per cent).

Revenue was \$90.7 million, up 20.3 per cent on 1H23 including a 16.6 per cent increase in brokerage revenues year on year. The business benefited from a positive shift in investor sentiment and active equity capital markets. The Corporate Finance team made another notable contribution, executing 51 transactions and raising more than \$1 billion in capital for businesses over the period.

Technology & Platforms

Reported revenue in the Technology & Platforms business was \$18.5 million, up 1.6 per cent on the pcp, and profit after tax was \$4.1 million, down 10.9 per cent on the pcp.

The numbers included two anomalies, including a \$1 million rebate received under the CHES Replacement Partnership Program in 1H23, and the reallocation in 1H24 of approximately \$1 million in back-office related expenses to Technology & Platforms from the Retail business (related to back-office consolidation).

Normalised, revenues were up 7.6 per cent on the pcp, and after-tax earnings were up 23 per cent on 1H23. A strong result, demonstrating the business's leverage to scale.

Products & Services

Products & Services revenue and earnings continue to grow. Revenue was \$22.9 million, up 3.2 per cent, and profit after tax was \$6.2 million, up 5.1 per cent on the pcp.

The loan book was up 5.5 per cent to \$575 million, Bell Financial Trust client funds at call were up 26.7 per cent to \$498 million, and Portfolio Administration Service and superannuation assets were up 2.0 per cent to \$5.2 billion.

We launched a new brand during the period, "Tandem Securities". Tandem Securities is an integrated suite of trading, clearing and investment services for wholesale and institutional clients, and forms part of our strategy to broaden distribution of the Group's products and services.

Dividend

The Board has resolved to pay a fully franked interim dividend of 4.0 cents per share. The record date is 29 August 2024 and the payment date is 10 September 2024.

ENDS

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This announcement was authorised to be given to the ASX by the Bell Financial Group Board.

About Bell Financial Group

Bell Financial Group Ltd (ASX:BFG) is an Australian-owned, highly diversified financial services and wealth management business and a leading provider of direct investment, clearing, research, and cash and lending solutions. We aim to create value through strategic investment in proprietary broking technology and a range of complementary wealth management products and services across our three core businesses, Retail & Institutional Broking, Technology & Platforms and Products & Services. We have over 750 employees across 11 offices in Australia and in offices in New York, London, Hong Kong and Kuala Lumpur.

BELL FINANCIAL GROUP (ASX:BFG)

First Half 2024 Results

15 August 2024

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Bell Potter Securities Ltd

BELL POTTER **BELL FX**

Bell Potter Capital Ltd

BELL POTTER CAPITAL

Third Party Platform Pty Ltd

belldirect > **desktopbroker** >

belldirect >
ADVANTAGE

BELL POTTER ONLINE **TANDEM SECURITIES**

BELL FINANCIAL GROUP

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BELL FINANCIAL GROUP

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Key Highlights

BELL FINANCIAL GROUP

KEY HIGHLIGHTS

1H24

Revenue

\$138.7m

18.3% increase on 1H23

Profit After Tax

\$16.6m

50% increase on 1H23

Earnings Per Share

5.2¢ share

49% increase on 1H23

Dividend Per Share

4.0¢ share

33% increase on 1H23

Dividend Yield (Gross)

8.4%

* See below statement

Return On Equity

9.9%

42.5% increase on 1H23

EBITDA Margin

20.1%

23.0% increase on 1H23

PE Multiple

14.6x

** See below statement

Balance Sheet

Cash \$111.5m

Net assets \$239.4m

Net tangible assets \$93.5m

A strong cash-backed balance sheet.

Funds Under Advice

\$80.5b

0.9% increase on 2023

Technology & Platforms And Products & Services Revenue

\$41.3m

2.3% increase on 1H23 and 29.8% of total revenue

Share Price

\$1.355

At 30 June 2024

* Based on the BFG share price at 30 June 2024, interim 2024 dividend and final 2023 dividend.

** Based on the BFG share price at 30 June 2024 and the 12 months NPAT to 30 June 2024.

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Strategy

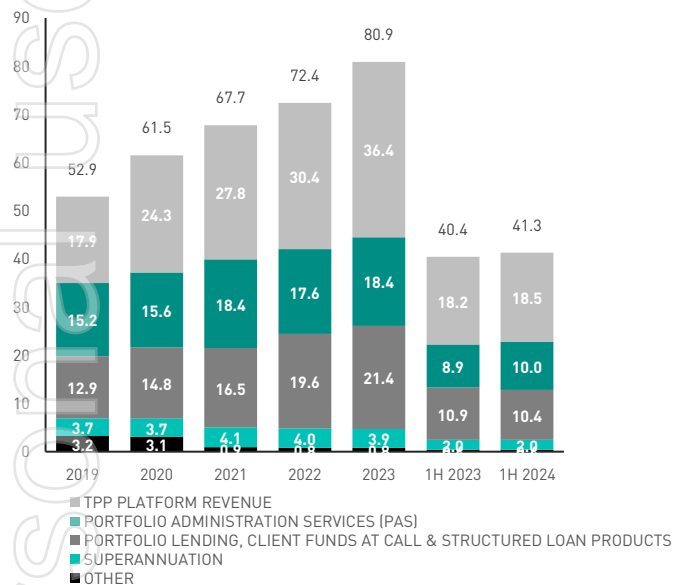
BELL FINANCIAL GROUP

BUILDING RECURRING REVENUES

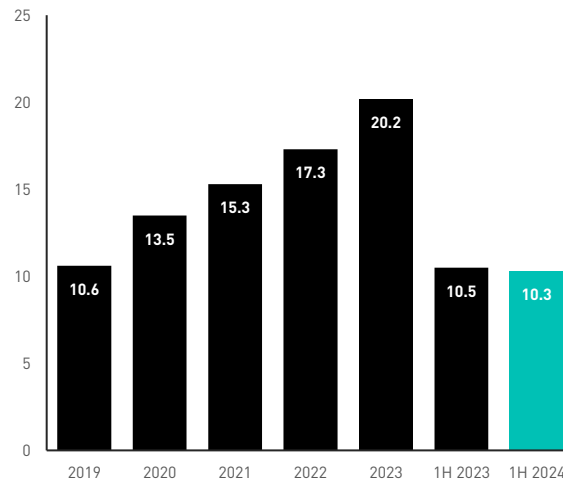
Our investment in Technology & Platforms and Products & Services creates the foundations for ongoing growth

- Our Technology & Platforms and Products & Services businesses have delivered revenue and earnings growth for 10 consecutive years. We expect this to continue
- In 1H24 their combined contribution represented 29.8% of Group revenue, and 62% of Group profit
- These businesses are now at a scale where revenue growth contributes significantly to Group earnings
- They provide relatively stable, recurring revenues through the market cycle
- Approximately 10% of Group funds under advice, \$8.2 billion, currently use our products and services, with opportunity for further expansion

TECHNOLOGY & PLATFORMS AND PRODUCTS & SERVICES REVENUE BREAKDOWN (\$M)



TECHNOLOGY & PLATFORMS AND PRODUCTS & SERVICES PROFIT AFTER TAX (\$M)



DEVELOPMENT OF PEOPLE, TECHNOLOGY AND PRODUCTS

Unlocking growth potential by focusing on people, technology and products

People

- Evaluating opportunities to grow our team through both internal and external channels
- Developing our next generation of Advisers and managers
- Building on relationships across our broad client base, that includes internally advised clients, brokers, corporates, institutional clients, DIY investors, and externally advised clients

Technology

- Taking advantage of our market-leading proprietary technologies to capitalise on new opportunities
- Operating through a single integrated end-to-end platform creates scale, reliability and delivers cost efficiencies resulting in improved margins
- Ongoing investment in our cybersecurity posture, ensuring our technology platform and systems remain secure

Products

- Expanding the distribution of our products and services both internally and externally
- Exploring both internal and external growth opportunities, new product and service offerings

Group Financial Summary

BELL FINANCIAL GROUP

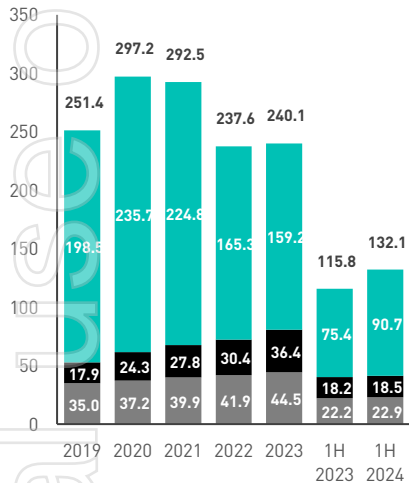
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GROUP FINANCIAL SUMMARY

Solid earnings underpinned by recurring revenues

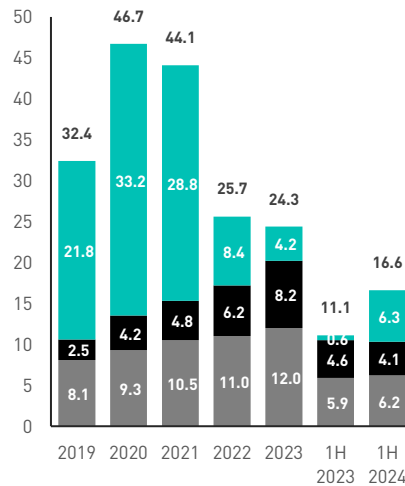
- Positive market momentum has carried into 2024 resulting in a strong 1H
- Revenue and earnings continue to grow in our Technology & Platforms and Products & Services businesses

REVENUE (\$M)



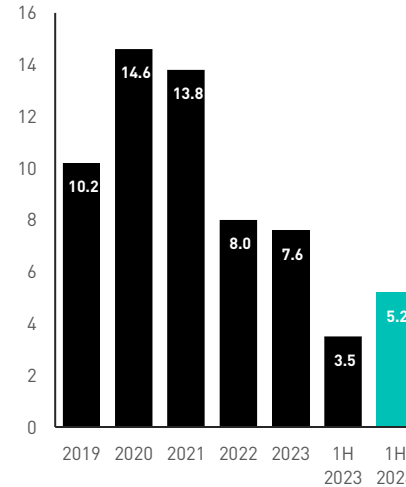
■ RETAIL & INSTITUTIONAL
 ■ TECHNOLOGY & PLATFORMS**
 ■ PRODUCTS & SERVICES*

PROFIT AFTER TAX (\$M)

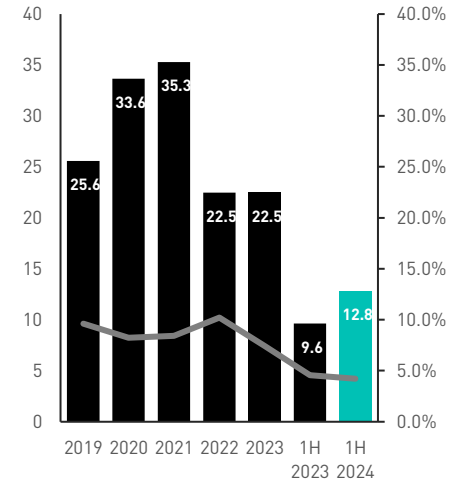


■ RETAIL & INSTITUTIONAL
 ■ TECHNOLOGY & PLATFORMS**
 ■ PRODUCTS & SERVICES

EARNINGS PER SHARE (CENTS)



DIVIDEND PAID (\$M) AND GROSS DIVIDEND YIELD (%)



■ DIVIDENDS PAID (\$M)
 — GROSS DIVIDEND YIELD

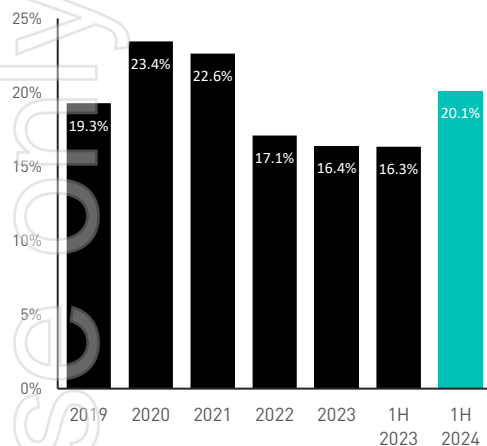
* Based on Bell Potter Capital net interest revenue.

** Includes clearing revenue paid by Bell Potter Securities and product fees paid by Bell Potter Capital.

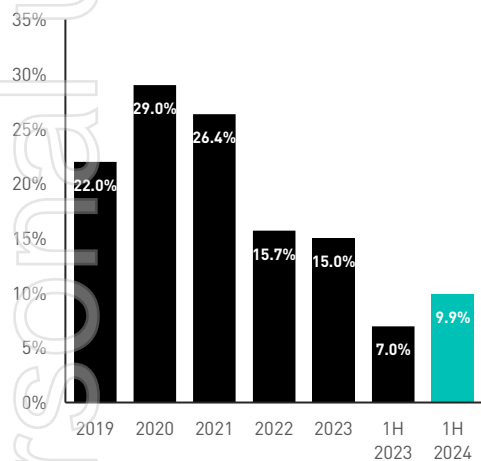
GROUP FINANCIAL SUMMARY (cont'd.)

The Group is in a strong financial position, with a solid cash-backed balance sheet

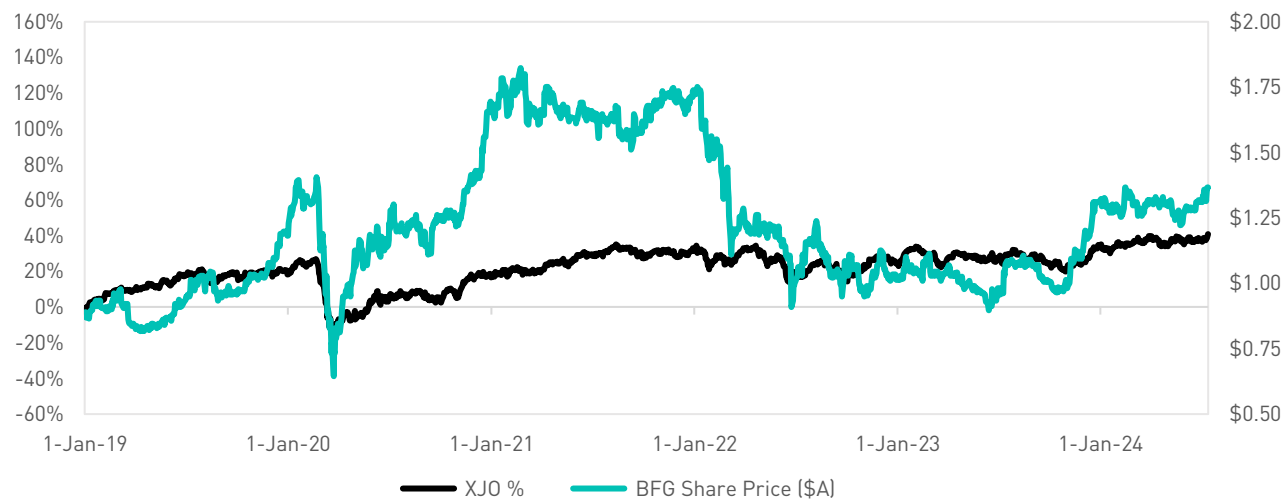
EBITDA MARGIN



RETURN ON EQUITY



BFG SHARE PRICE MOVEMENT January 2019 – June 2024



KEY FINANCIALS

A solid cash-backed balance sheet with \$111.5 million net cash at 30 June 2024.

	\$M		
Cash	111.5	Market capitalisation	\$434.6m
Net assets	239.4	EV/EBITDA multiple¹	14.7x
Net tangible assets	93.5	Dividend yield (gross)²	8.4%
		Price earnings ratio (PE)³	14.6x

¹ Based on 12-month EBITDA to 30 June 2024, and BFG share price at 30 June 2024.

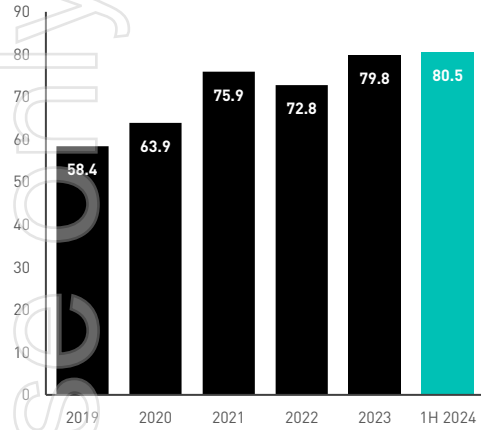
² Based on interim 2024 dividend payable and final 2024 dividend paid, divided by BFG share price at 30 June 2024.

³ Based on market capitalisation at 30 June 2024 and 12-month earnings to 30 June 2024..

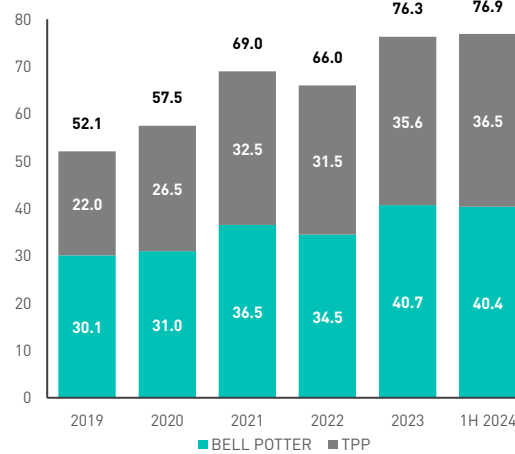
FUNDS UNDER ADVICE

Funds under advice including Portfolio Administration Services (PAS), superannuation assets, CHESSE sponsored holdings and the Bell Potter Capital margin loan book continue to grow, and are at record highs

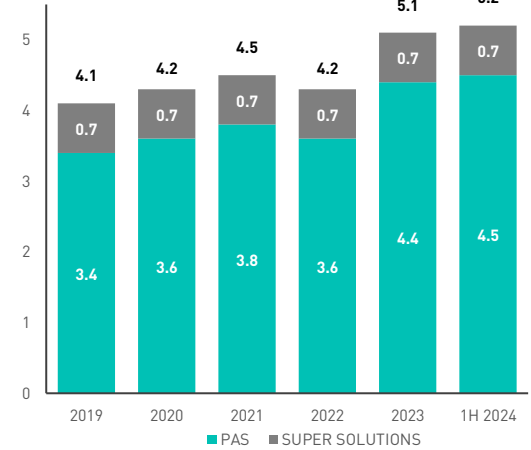
FUNDS UNDER ADVICE (\$B)



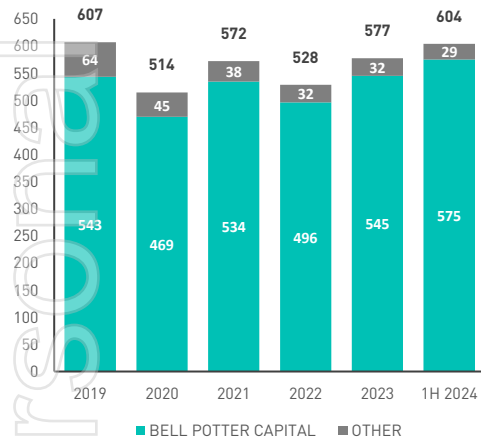
CHESSE SPONSORED HOLDINGS (\$B)



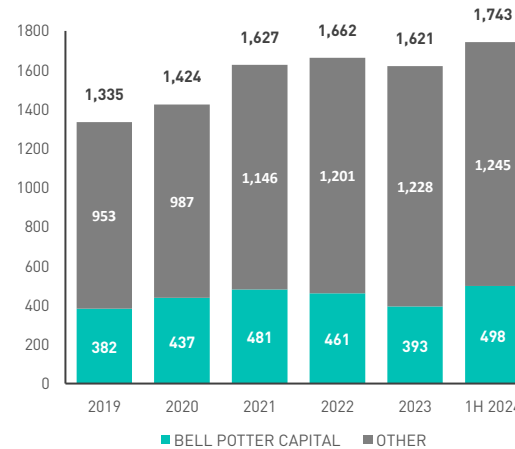
FUA - PAS AND SUPERANNUATION ASSETS (\$B)



MARGIN LOANS (\$M)



CLIENT FUNDS AT CALL (\$M)



Corporate Structure and Businesses

BELL FINANCIAL GROUP

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CORPORATE STRUCTURE AND BUSINESSES

A highly diversified financial services and wealth management business

RETAIL & INSTITUTIONAL BROKING

Bell Potter Securities Ltd

BELL POTTER

BELL FX

Retail and Institutional Equities
Equity Capital Markets
International Equities
Foreign Exchange
Fixed Income

PRODUCTS & SERVICES

Bell Potter Capital Ltd

BELL POTTER CAPITAL

TANDEM CAPITAL

Margin Lending
Structured Products
Bell Financial Trust
Portfolio Administration
Superannuation

TECHNOLOGY & PLATFORMS

Third Party Platform Pty Ltd

belldirect >

belldirect >
ADVANTAGE

desktopbroker >

BELL POTTER ONLINE

TANDEM SECURITIES

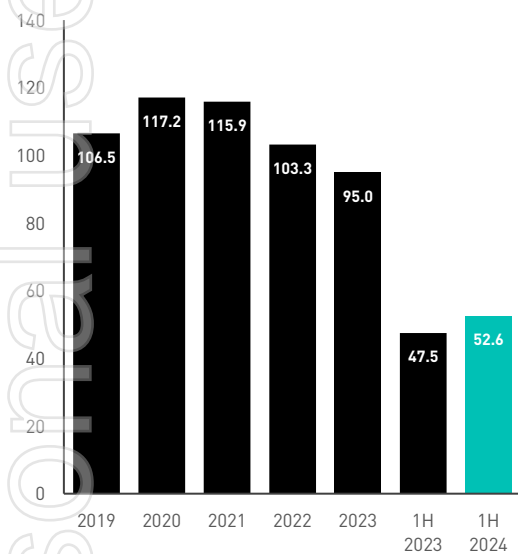
Retail Online Broking
Wholesale Online Broking
Institutional Online Broking
Third Party Clearing

RETAIL & INSTITUTIONAL BROKING

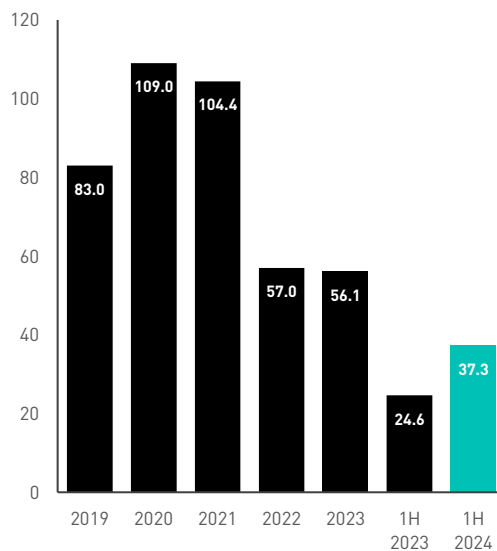
Leveraged to markets

- 300 Financial Advisers servicing retail, wholesale and institutional client accounts
- Successfully executed 51 ECM transactions across 1H24, raising more than \$1.0 billion in equity capital
- Our ECM team is a market leader in the small and mid-cap segment of the Australian market
- \$90.7 million in revenue in 1H24
- \$6.3 million profit after tax in 1H24

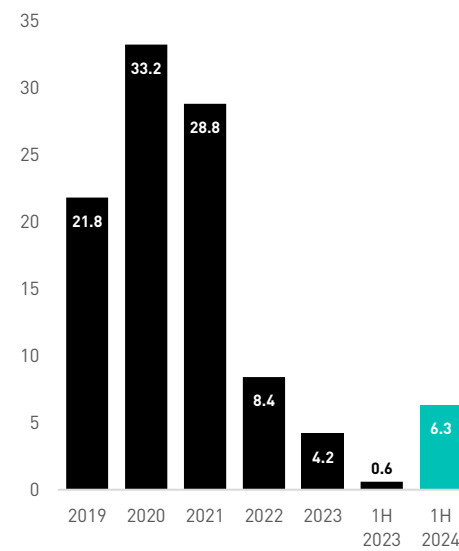
RETAIL AND INSTITUTIONAL BROKERAGE (\$M)



ECM AND SYNDICATION REVENUE (\$M)



PROFIT AFTER TAX (\$M)



TECHNOLOGY & PLATFORMS

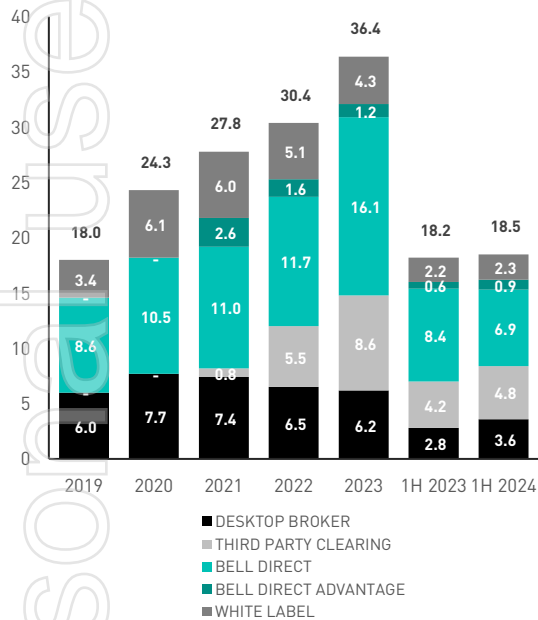


Leveraged to scale

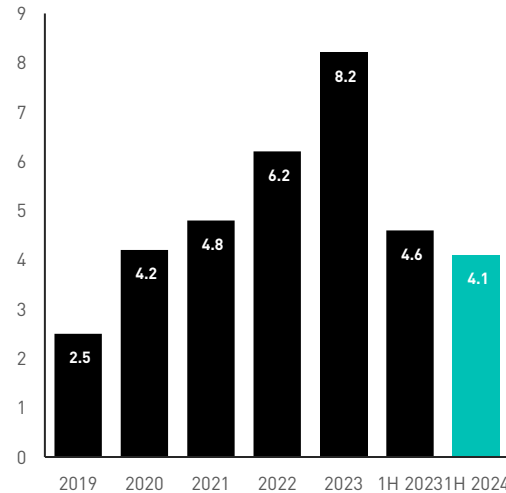
Our Technology & Platforms business continues to deliver consistent growth in revenue, profit and sponsored holdings

- \$18.5 million in Revenue in 1H24
- \$4.1 million Profit After Tax in 1H24
- Underlying revenue and earnings grew 7.6% and 23% respectively on 1H23 ¹

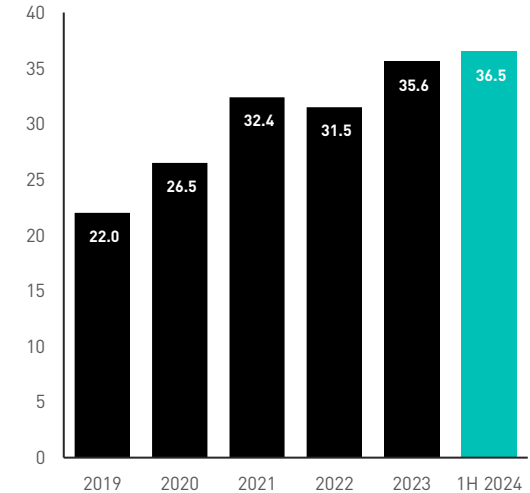
REVENUE (\$M)



PROFIT AFTER TAX (\$M)



SPONSORED HOLDINGS (\$B)



¹ Adjusted for a \$1 million rebate received 1H23 under the CHES Replacement Partnership Program, and reallocation of approximately \$1 million in overheads relating to back-office consolidation in 1H24

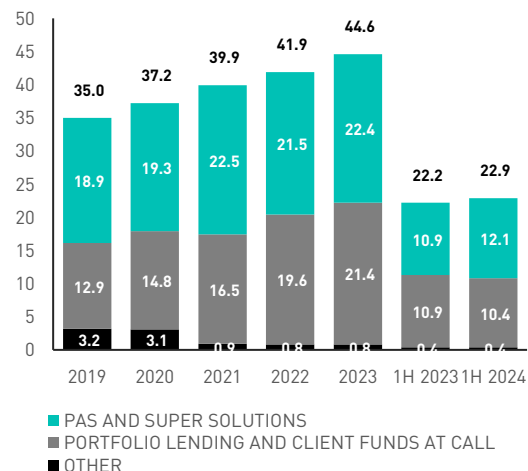
PRODUCTS & SERVICES

Leveraged to distribution

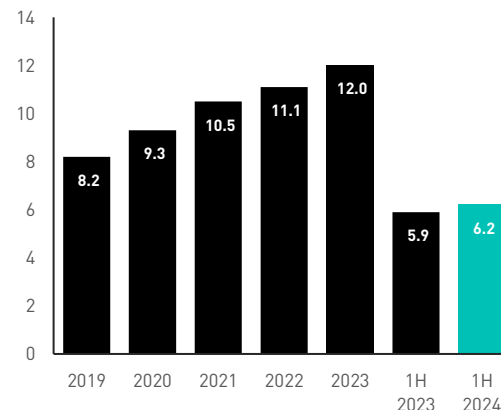
Products & Services revenue and earnings have grown consistently over an extended period

- \$22.9 million in revenue in 1H24
- \$6.2 million profit after tax in 1H24
- \$575 million loan book
- \$498 million client funds at call
- \$5.2 billion in PAS and superannuation assets

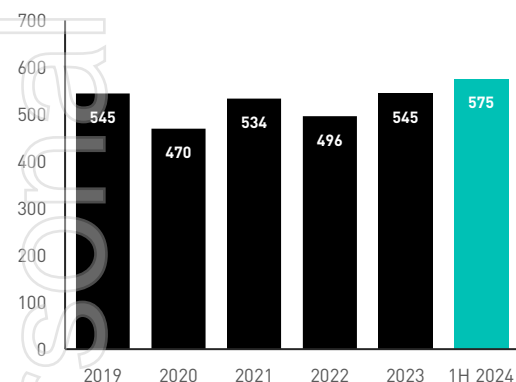
REVENUE (\$M)



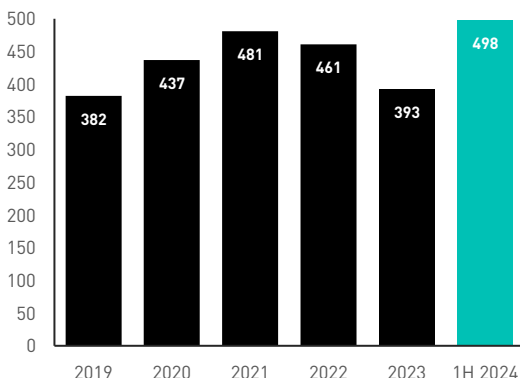
PROFIT AFTER TAX (\$M)



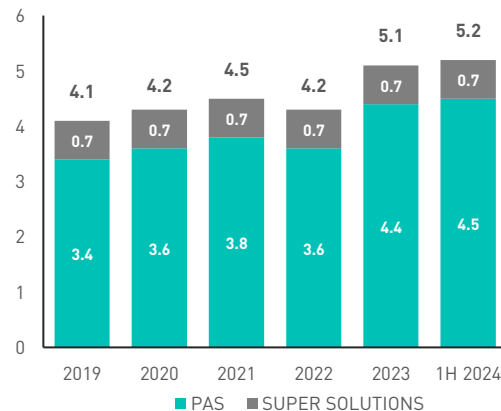
LOAN BOOK (\$M)



BELL FINANCIAL TRUST (\$M)
CLIENT FUNDS AT CALL



FUA - PAS AND SUPERANNUATION ASSETS (\$B)



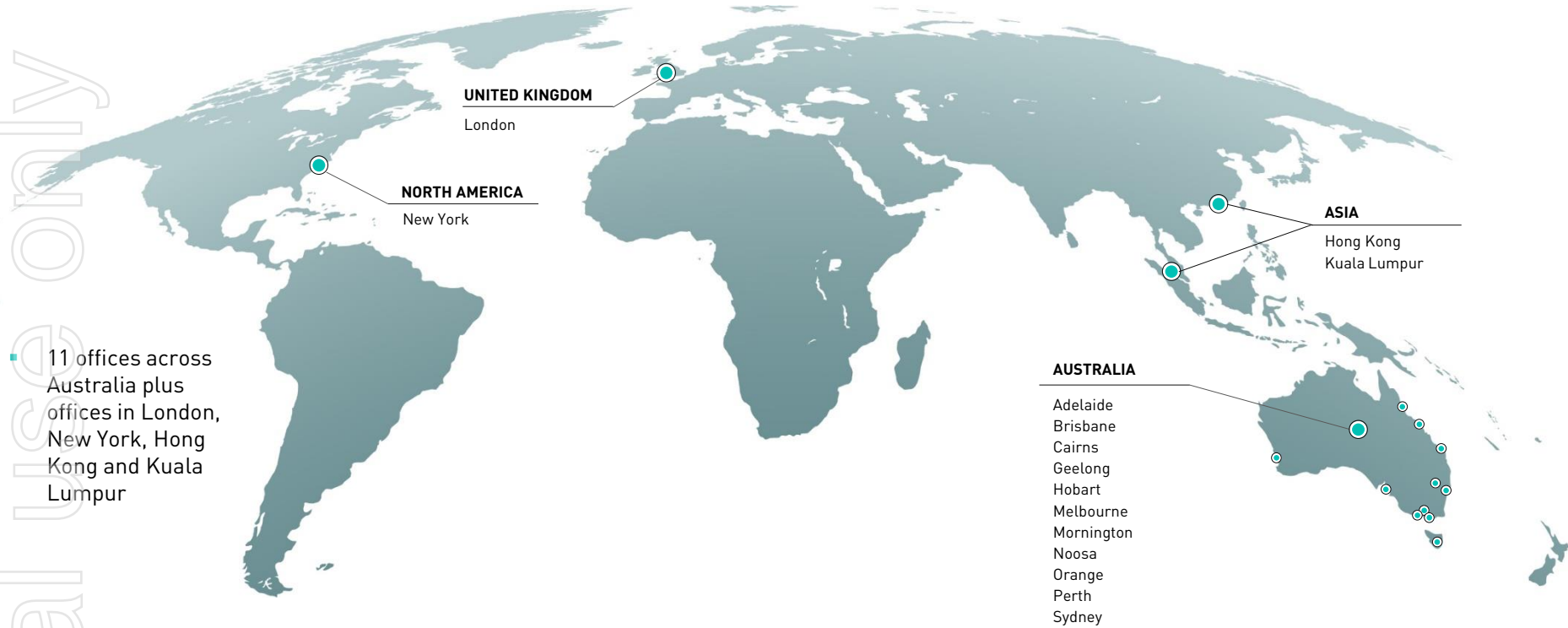
About Bell Financial Group

BELL FINANCIAL GROUP

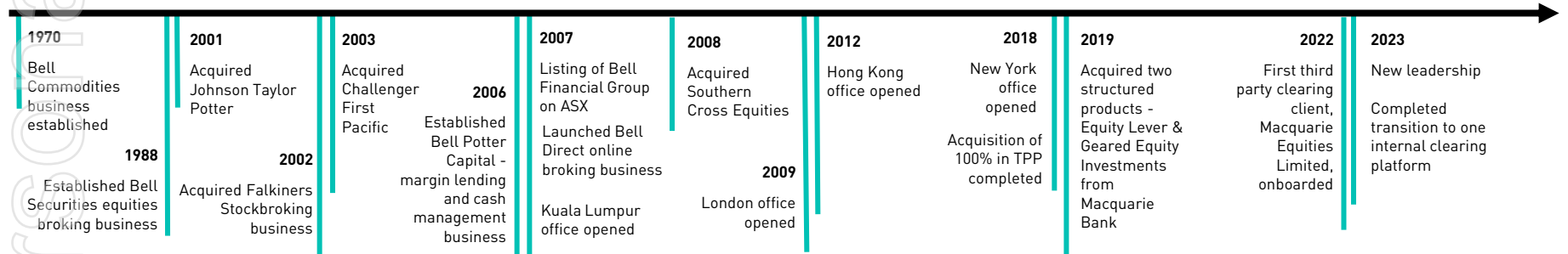
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BELL FINANCIAL GROUP

Bell Financial Group is a leading Australian financial services business



11 offices across Australia plus offices in London, New York, Hong Kong and Kuala Lumpur



LEADERSHIP

A professional Board with a deep industry understanding and decades of experience

— A deliberately flat management structure that is experienced, stable and has a substantial shareholding in the business

BELL FINANCIAL GROUP BOARD

Brian Wilson AO

Independent Chairman
+40 years' industry
experience

Alastair Provan

Non-Executive Director
+35 years' industry
experience

Graham Cubbin

Non-Executive Director
+20 years' industry
experience

Christine Feldmanis

Non-Executive Director
+30 years' industry
experience

Andrew Bell

Non-Executive Director
+40 years' industry
experience

BUSINESS LEADERS

Dean Davenport

Co-Chief Executive
Officer
+25 years' industry
experience

Arnie Selvarajah

Co-Chief Executive
Officer
+25 years' industry
experience

James Unger

Head of Corporate
Finance
+25 years' industry
experience

Dean Surkitt

Managing Director of
Retail Equities
+35 years' industry
experience

James Gordon

Head of Australian
Institutional Broking
+25 years' industry
experience

Lee Muco

Chief Executive Officer
of TPP
+20 years' industry
experience

Rowan Fell

Chief Executive Officer
of Bell Potter Capital
+35 years' industry
experience

Joe Tillig

Chief Technology
Officer
25+ years' industry
experience

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