

# ASX RELEASE.

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## 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

## For more information, contact

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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



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**

- 1 Key Highlights
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- 4 Corporate Structure and Businesses
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# Key Highlights

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**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.

# Strategy

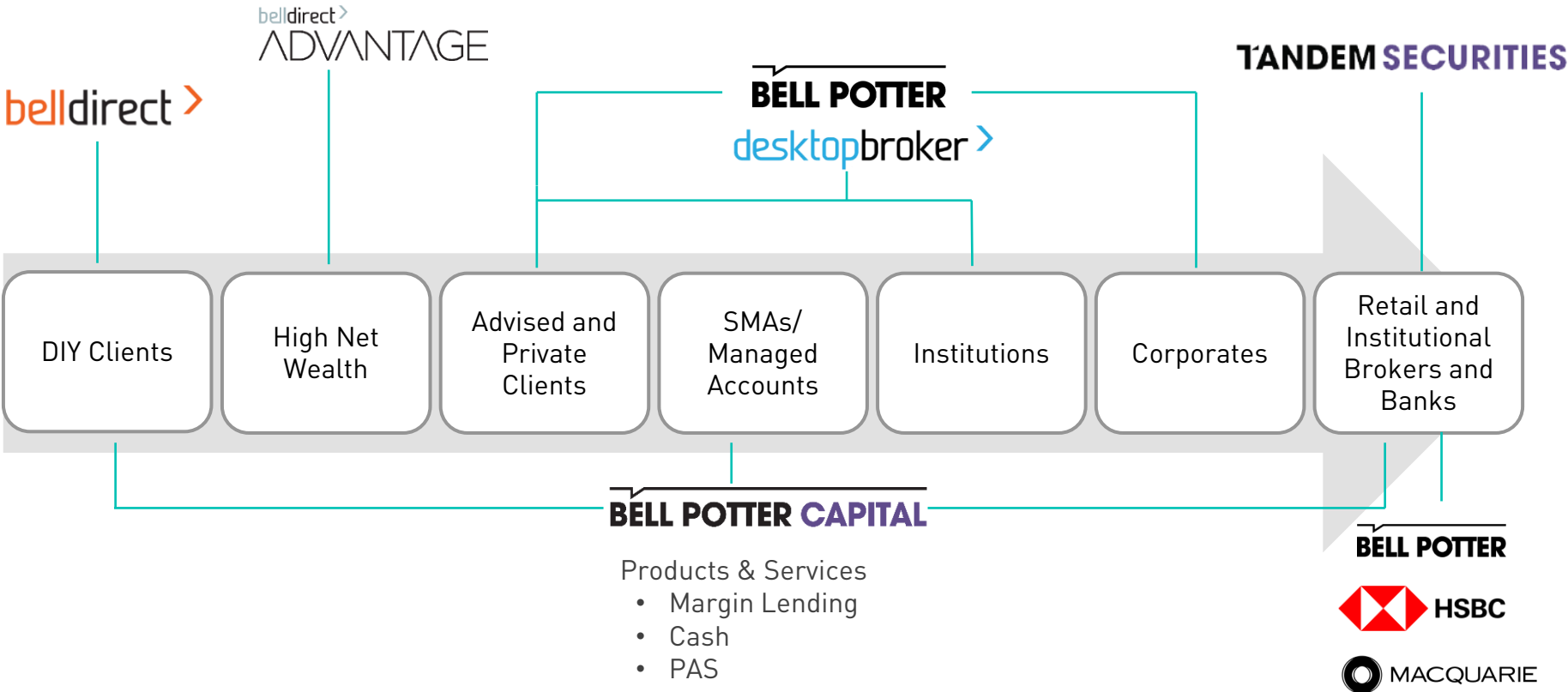
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**BELL FINANCIAL GROUP**



# STRATEGY

A diversified wealth management business

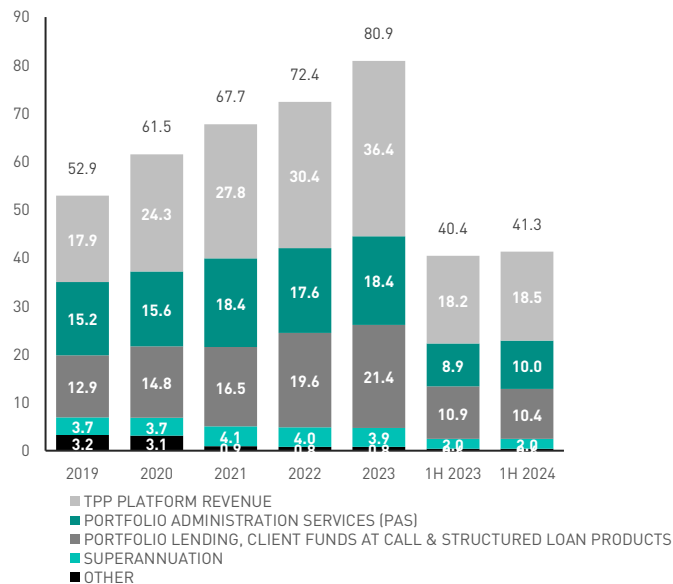


# BUILDING RECURRING REVENUES

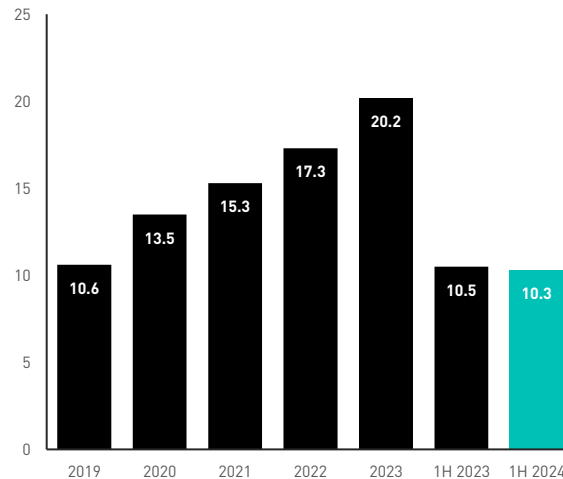
Our investment in Technology & Platforms and Products & Services creates the foundations for ongoing growth

- 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

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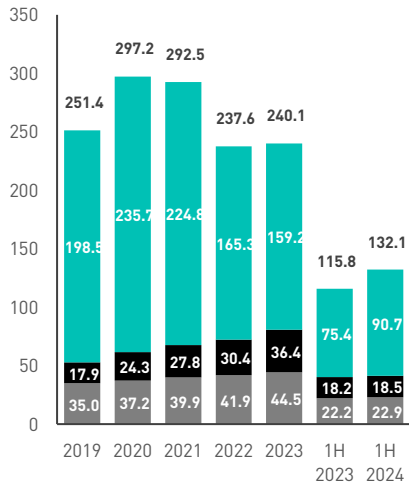
**BELL FINANCIAL GROUP**

# GROUP FINANCIAL SUMMARY

## Solid earnings underpinned by recurring revenues

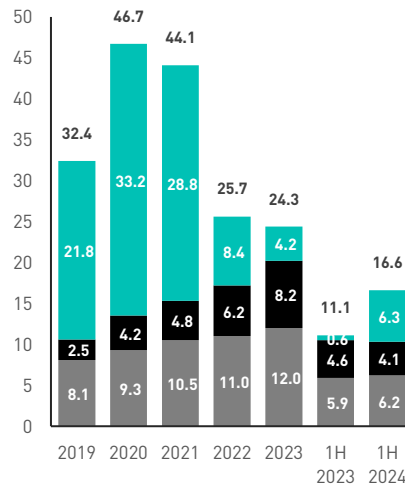
- Positive market momentum has carried into 2024 resulting in a strong 1H
- Revenue and earnings continue to grow in our Technology & Platforms and Products & Services businesses

### REVENUE (\$M)



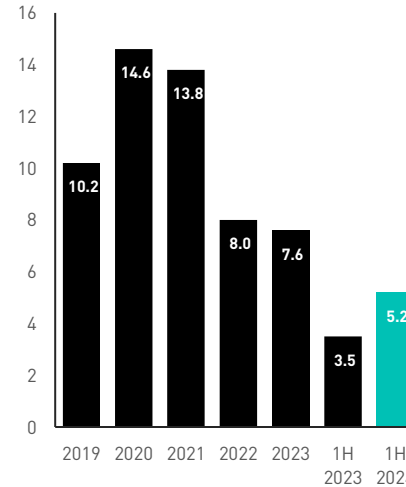
■ RETAIL & INSTITUTIONAL  
 ■ TECHNOLOGY & PLATFORMS\*\*  
 ■ PRODUCTS & SERVICES\*

### PROFIT AFTER TAX (\$M)

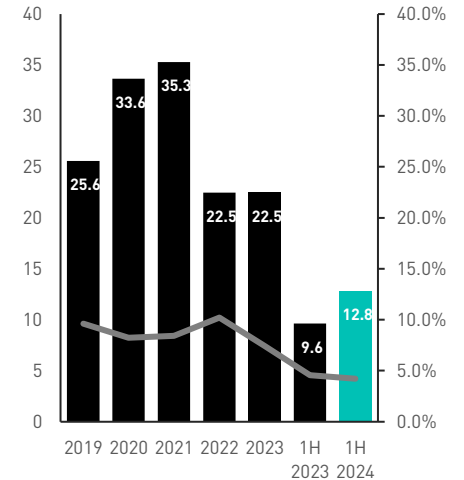


■ RETAIL & INSTITUTIONAL  
 ■ TECHNOLOGY & PLATFORMS  
 ■ PRODUCTS & SERVICES

### EARNINGS PER SHARE (CENTS)



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



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

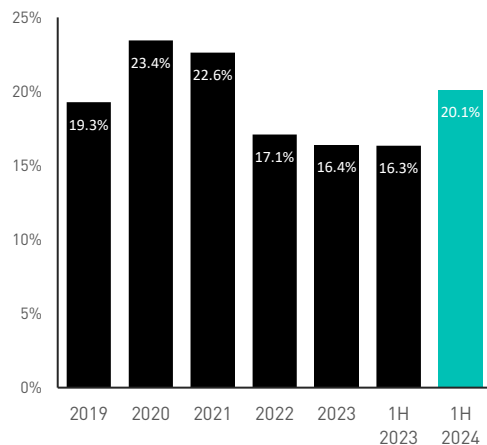
\* Based on Bell Potter Capital net interest revenue.

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

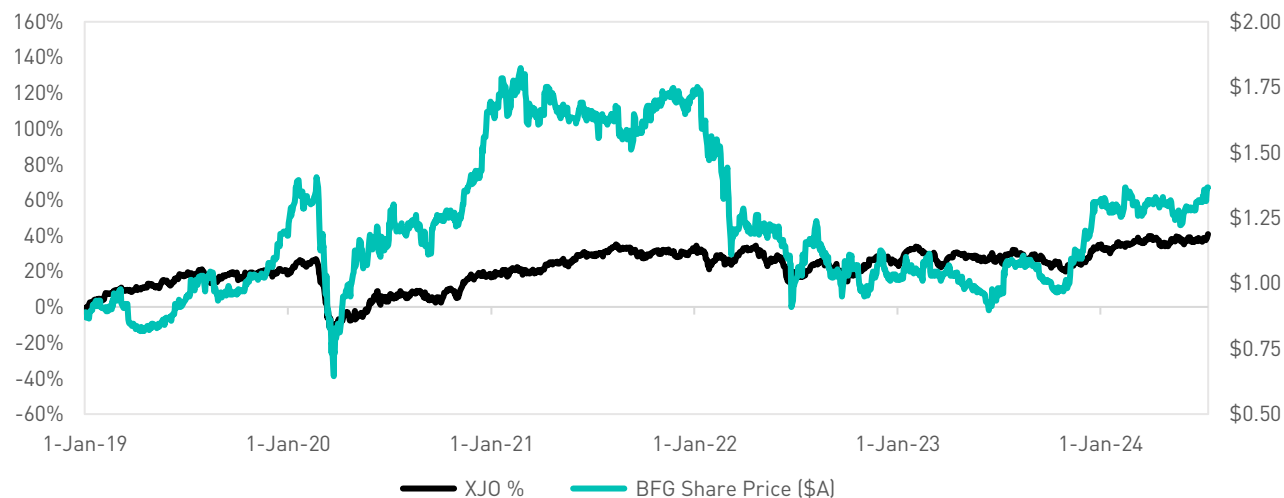
# GROUP FINANCIAL SUMMARY (cont'd.)

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

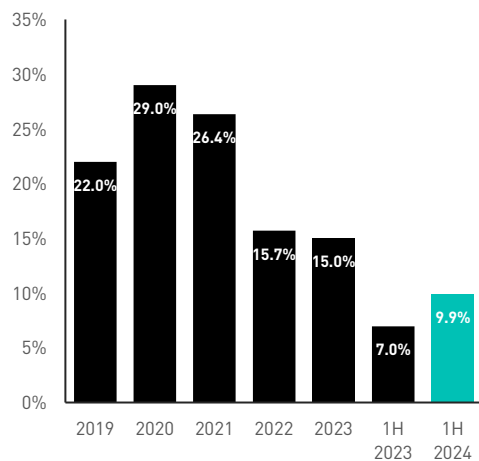
## EBITDA MARGIN



## BFG SHARE PRICE MOVEMENT January 2019 – June 2024



## RETURN ON EQUITY



## KEY FINANCIALS

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

	\$M		
<b>Cash</b>	111.5	<b>Market capitalisation</b>	\$434.6m
<b>Net assets</b>	239.4	<b>EV/EBITDA multiple<sup>1</sup></b>	14.7x
<b>Net tangible assets</b>	93.5	<b>Dividend yield (gross)<sup>2</sup></b>	8.4%
		<b>Price earnings ratio (PE)<sup>3</sup></b>	14.6x

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

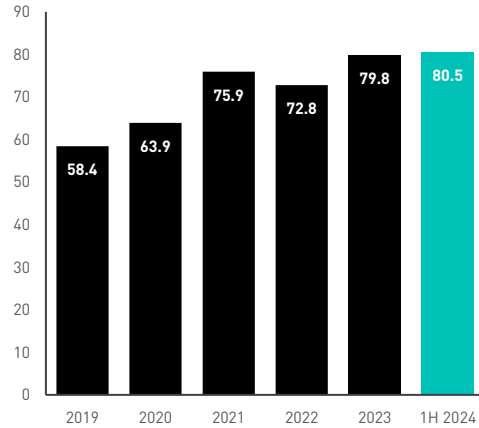
<sup>2</sup> Based on interim 2024 dividend payable and final 2024 dividend paid, divided by BFG share price at 30 June 2024.

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

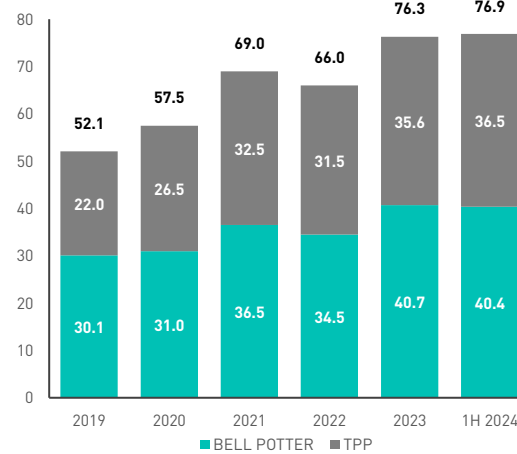
# FUNDS UNDER ADVICE

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

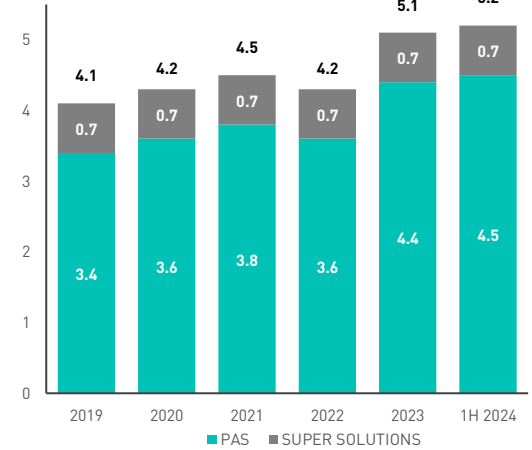
### FUNDS UNDER ADVICE (\$B)



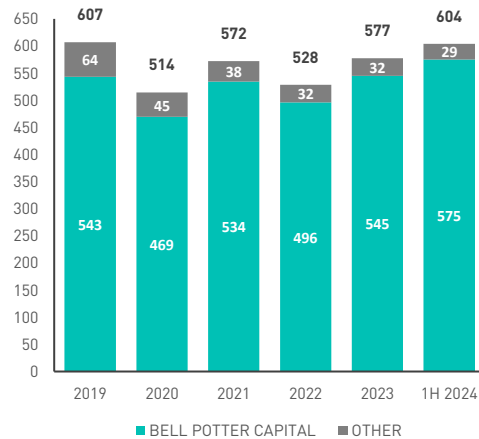
### CHESS SPONSORED HOLDINGS (\$B)



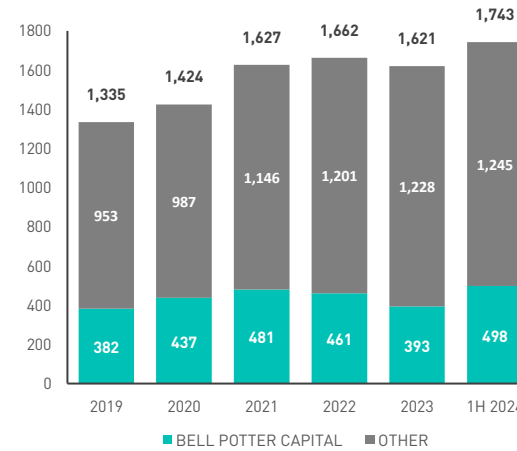
### FUA - PAS AND SUPERANNUATION ASSETS (\$B)



### MARGIN LOANS (\$M)



### CLIENT FUNDS AT CALL (\$M)



# Corporate Structure and Businesses

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**BELL FINANCIAL GROUP**



# 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**

**desktop**broker >

**BELL POTTER ONLINE**

**TANDEM SECURITIES**

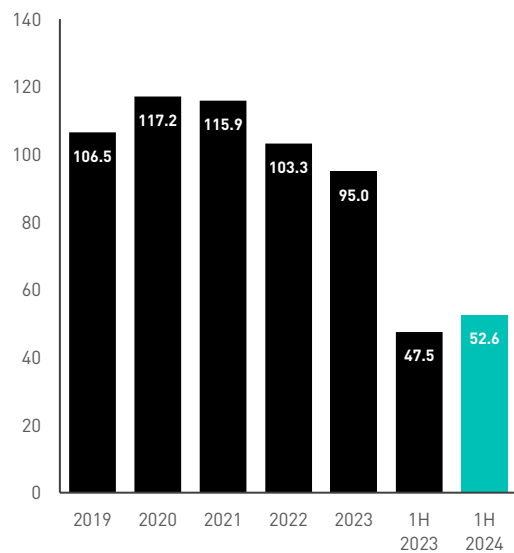
Retail Online Broking  
Wholesale Online Broking  
Institutional Online Broking  
Third Party Clearing

# RETAIL & INSTITUTIONAL BROKING

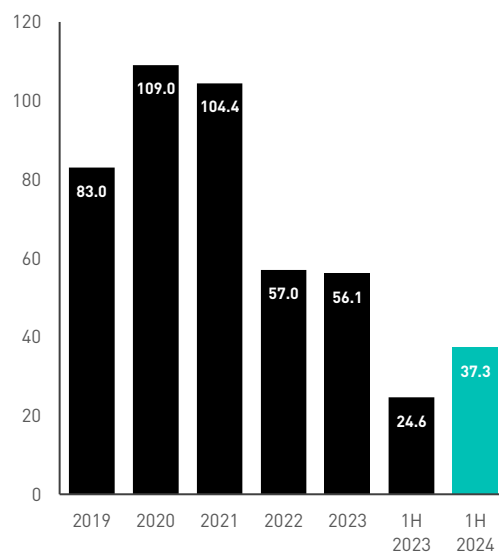
## Leveraged to markets

- 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

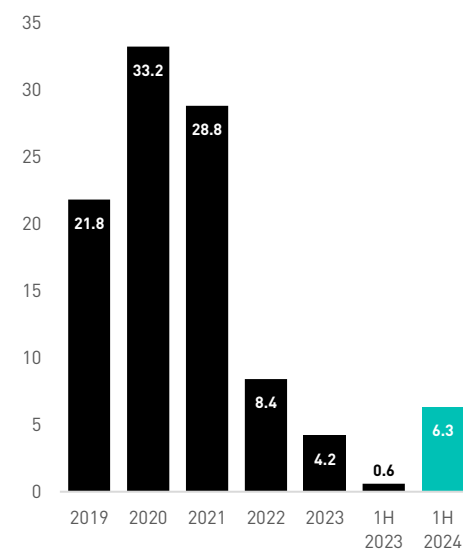
**RETAIL AND INSTITUTIONAL BROKERAGE (\$M)**



**ECM AND SYNDICATION REVENUE (\$M)**



**PROFIT AFTER TAX (\$M)**



# TECHNOLOGY & PLATFORMS

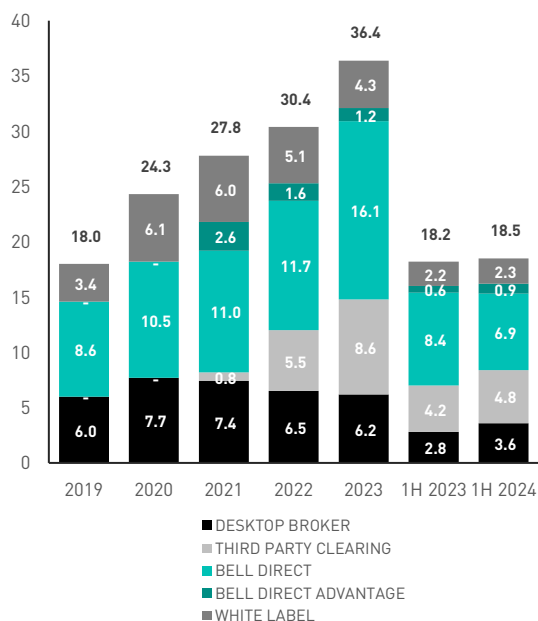


Leveraged to scale

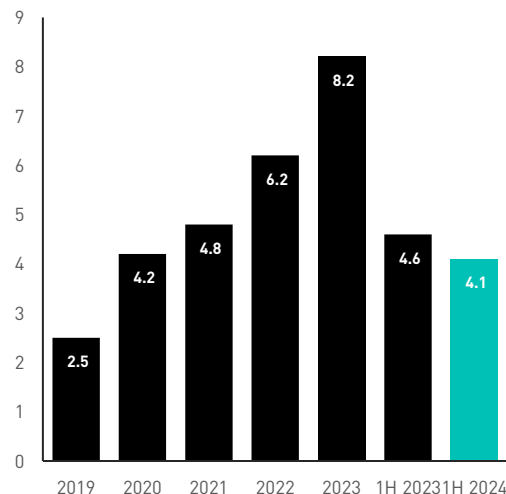
**Our Technology & Platforms business continues to deliver consistent growth in revenue, profit and sponsored holdings**

- \$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 <sup>1</sup>

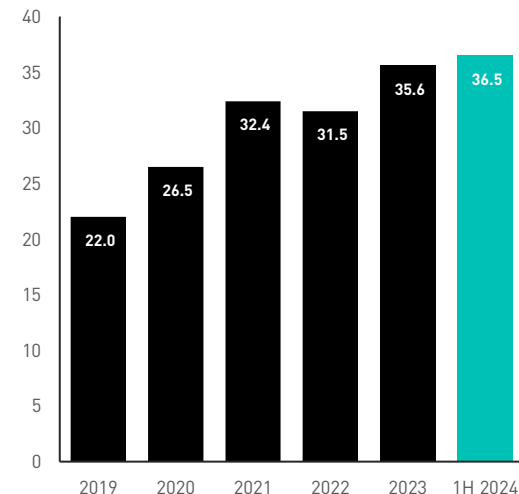
REVENUE (\$M)



PROFIT AFTER TAX (\$M)



SPONSORED HOLDINGS (\$B)



<sup>1</sup> 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

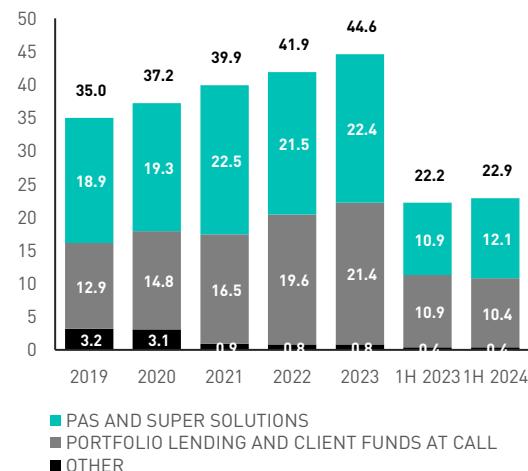
# PRODUCTS & SERVICES

Leveraged to distribution

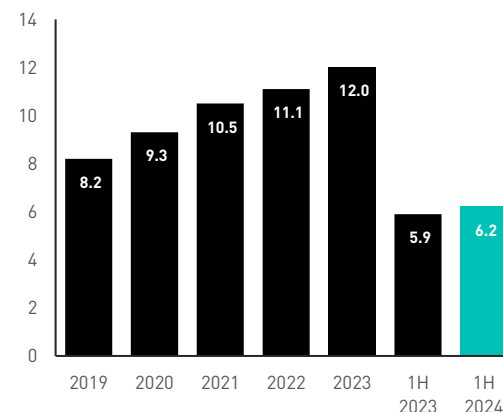
Products & Services revenue and earnings have grown consistently over an extended period

- \$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

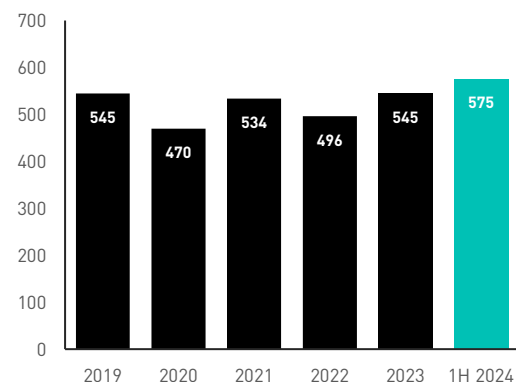
REVENUE (\$M)



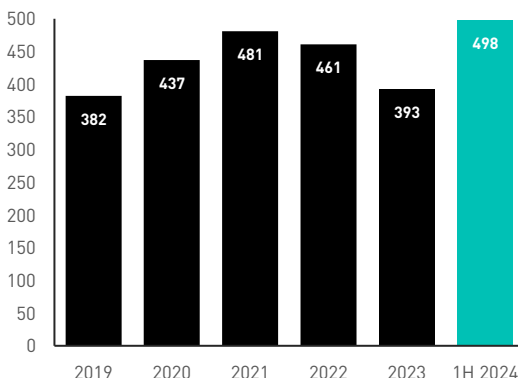
PROFIT AFTER TAX (\$M)



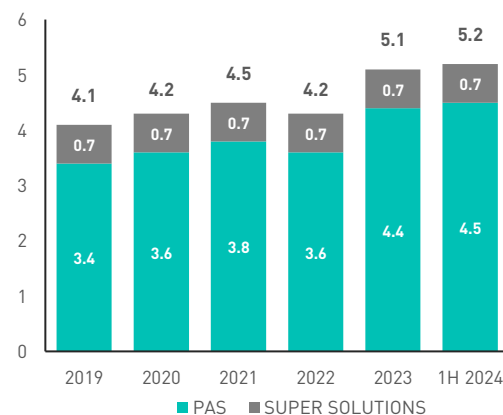
LOAN BOOK (\$M)



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



FUA - PAS AND SUPERANNUATION ASSETS (\$B)



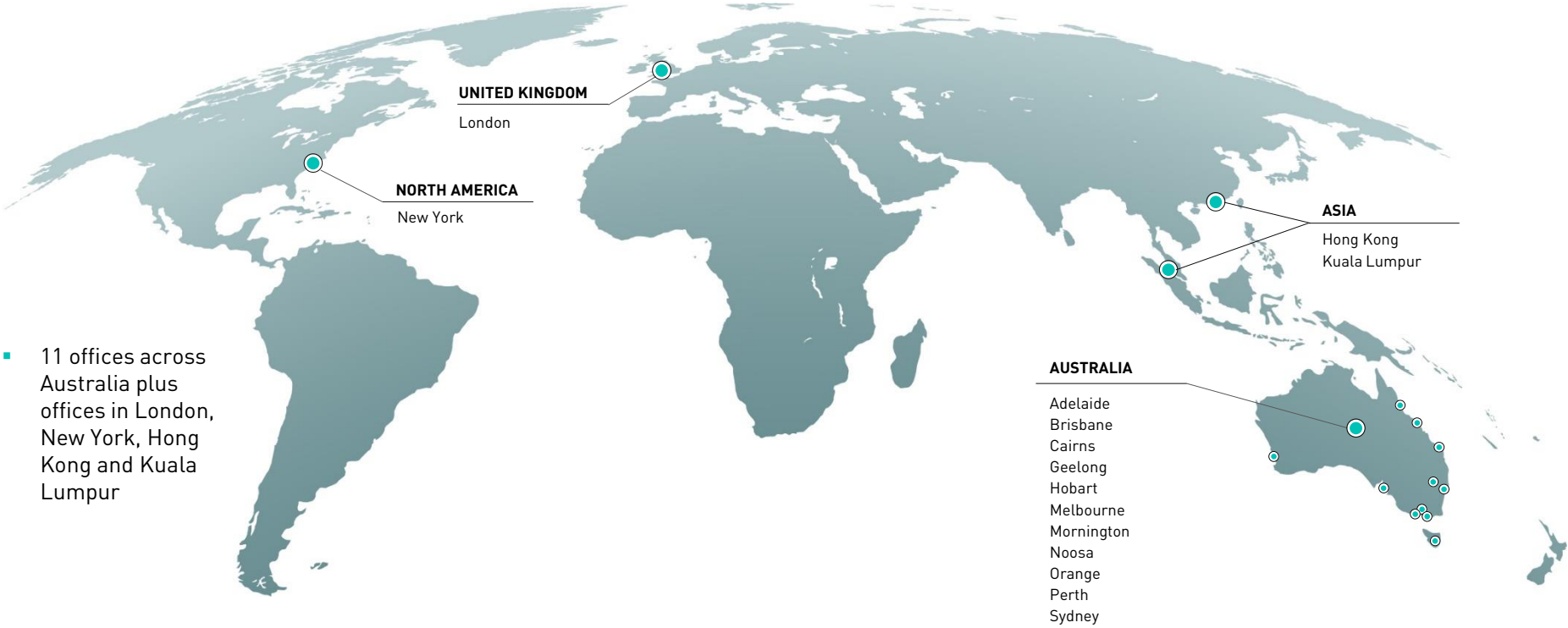
# About Bell Financial Group

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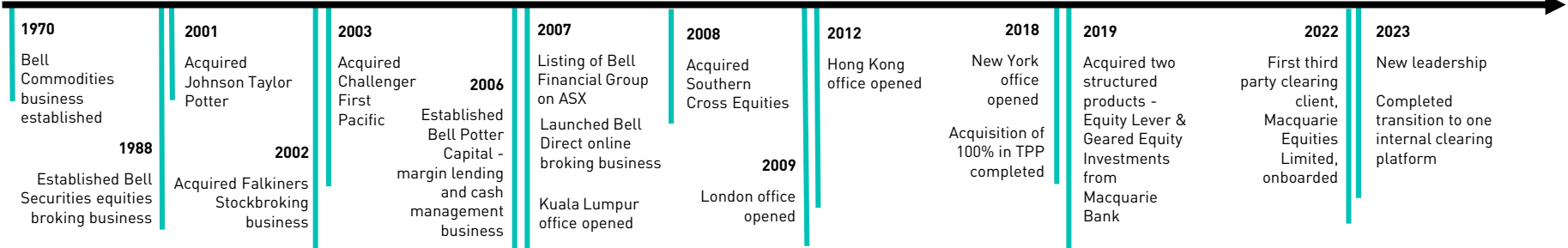
**BELL FINANCIAL GROUP**

# 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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