

18 February 2022

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

**Magellan Financial Group Limited ("Magellan" or the "Group")
Interim results for the period ended 31 December 2021**

- **Profit before tax and performance fees of the Funds Management business up 15% to \$293.6 million**
- **Adjusted net profit after tax up 16% to \$248.1 million**
- **Interim dividend up 13% to 110.1 cents per share**

| Results summary | 1H2022 | 1H2021 | Change |
|---|--------|--------|--------|
| Average funds under management (\$ billions) | 112.7 | 100.9 | 12% |
| Net profit after tax (\$ millions) | 251.6 | 202.3 | 24% |
| Profit before tax and performance fees of Funds Management business (\$ millions) | 293.6 | 256.2 | 15% |
| Adjusted net profit after tax (\$ millions) ¹ | 248.1 | 213.1 | 16% |
| Adjusted diluted earnings per share (cents per share) ¹ | 134.4 | 116.4 | 15% |
| Interim dividend (cents per share) | 110.1 | 97.1 | 13% |

Ms Kirsten Morton, Interim CEO, said: "Magellan has faced a number of challenges over recent months, however the Group remains in a robust financial position and has delivered strong financial results for the period. For the half year ended 31 December 2021, the Group reported adjusted net profit after tax of \$248.1 million, up 16%, driven by a 12% increase in average funds under management. Excluding the earnings contribution for the period from the St James's Place mandate, adjusted net profit after tax was broadly in line with the prior period at \$212.5 million. Magellan has declared an interim dividend of 110.1 cents per share, up 13% on the prior period.

"Magellan has a robust balance sheet with no debt and net tangible assets of \$992.8 million, strong margins and operating cash flows which will enable us to continue to support and invest in the business.

"We are focused on our core funds management business and delivering upon our investment objectives for our clients."

¹ Adjusted financial measures are adjusted for non-cash items (amortisation expense and unrealised gains/losses) and transaction costs related to strategic initiatives.

Capital management initiatives

Magellan has also today announced a number of significant capital management initiatives:

- Intention to progress with a 1-for-8 bonus issue of options to Magellan shareholders:
 - Exercise price \$35 per option;
 - 5 year term – exercisable at any time until expiry;
 - Prospectus expected to be lodged in March 2022;
 - An application will be made with ASX to have the options quoted on ASX;
- Intention to progress with an issue of approximately 10 million unlisted options to Magellan staff (\$35 exercise price, 5 year term) as part of a staff retention programme;
- Considering the implementation of an on-market share buy-back, subject to various factors including market conditions;
- Confirming the dividend policy of 90-95% payout of the profit after tax of the Group's Funds Management Business;
- Suspending the dividend reinvestment plan; and
- No plans to make further investments via Magellan Capital Partners.

Mr Hamish McLennan, Magellan's Chairman, said: "We believe the capital management initiatives announced today will be attractive to shareholders and reflect our focus on our core funds management business. These initiatives and proposals are in line with our aim to deliver capital efficiency, solid dividends and attractive returns for shareholders.

"While the business is in strong financial health, and a bonus issue of options is a potential source of value for shareholders, we know there is more work to do. I am very confident Magellan has the team and processes to overcome recent setbacks, and we remain extremely focused on improving outcomes for shareholders."

The final terms of the intended options issuances and timetable will be notified to the market and lodged with the ASX once approved by the Board. It is expected that the Prospectus for the bonus options and further details of the employee options will be released to the ASX, and the Prospectus dispatched to shareholders in accordance with their communication preferences, in March 2022.

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 \$87.1 billion of funds under management at 9 February 2022 across its global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs approximately 140 staff globally. Further information can be obtained from www.magellangroup.com.au.

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