

23 January 2023

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## Completion of Pental Acquisition

- Creates a global leader in multi-boutique asset management with significant scale, diversified investment strategies, world-class ESG capabilities and a stronger global distribution capability, complemented by high-quality wealth management and trustee businesses
- Perpetual's total assets under management now approximately A\$200 billion<sup>1</sup>
- New executive leadership team in place with work starting today on integration, focused on delivering transaction benefits, including realising A\$60 million in targeted run-rate pre-tax expense synergies<sup>2</sup> (excluding integration and other one-off costs)

Perpetual Limited (Perpetual) (ASX:PPT) today announces the completion of its acquisition of Pental Group (Pental).

Perpetual Chairman Tony D'Aloisio, said: "We are pleased to finalise the transaction that combines two of Australia's oldest and most respected active asset management businesses. Through this transaction we have created a leading global multi boutique asset manager with significant scale, diversified investment strategies, world-class ESG capabilities and a stronger global distribution capability, complemented by Perpetual's high-quality wealth management and trustee businesses. We welcome the talented Pental teams to Perpetual and look forward to supporting Rob and the executive team as they execute and deliver on our global growth plans to create shareholder value."

Perpetual Managing Director and CEO Rob Adams said: "Today is the beginning of an exciting new chapter for both businesses, and collectively our people, our clients and our shareholders. The Perpetual and Pental businesses are stronger together and are better positioned to invest in and drive our future growth through the expansion of investment capabilities, while benefiting from a step change in scale, ESG capability and our significantly enhanced global operating model."

"Pleasingly, the client consent process has proven to be very successful with Pental achieving consents from over 98%<sup>3</sup> of Pental clients, by client revenue, for those clients whose consent was required to the change of control<sup>4</sup>."

As announced separately, the Board appointments of two Pental directors have taken effect and the new executive committee previously announced on 30 November 2022 is in place with work today now underway on integration following months of planning and preparation.

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<sup>1</sup> As at 31 December 2022

<sup>2</sup> To be delivered by the end of the second year post implementation

<sup>3</sup> As at 9 January 2023

<sup>4</sup> A key condition for the Scheme of Arrangement was a minimum of 82.5% positive client consents



Mr Adams added: “With the transaction now finalised, the new leadership team is focused on delivering our global growth ambitions and executing on the strategic and financial benefits afforded by this transformational acquisition, including delivery of enhanced scale efficiencies; growth of our global distribution footprint; building on our leadership in ESG and realising A\$60 million in expected run-rate pre-tax expense synergies<sup>2</sup>.”

### **Financial Reporting Considerations**

Today Pental shareholders who owned shares at 7.00pm (AEDT) on 16 January 2023 will receive the consideration mix for shares held by them. This comprises a total of \$1.65 cash per Pental share held, less the Permitted Dividend Amount of 3.5 cents per share which was paid to Pental shareholders on 15 December 2022 and one Perpetual share for every seven Pental shares.

A total of 54,747,428 Perpetual shares have been issued to Pental shareholders as part of the consideration.

The cash component of the offer, totalling A\$619 million, will be funded by a new debt facility. As previously announced, the new debt facility will also re-finance Perpetual’s existing debt facility and includes undrawn headroom for liquidity management purposes.

Perpetual will provide an update on its debt position at its half year results presentation in February 2023. Further information on the expected synergies and a breakdown of the combined group assets under management (as at 31 December 2022) will also be provided as part of the half year results presentation.

As previously disclosed, one-off pre-tax cost to achieve synergies is expected to be A\$110 million, with the majority to be incurred over the next 18 months. Other Perpetual transaction costs are expected to be A\$40 million pre-tax, with A\$25.5 million to A\$27.5 million of these pre-tax transaction costs to be incurred in Perpetual’s 1H23 results.

As disclosed within the Q2 Business Update released on the 20 January 2023, based on preliminary unaudited financials for the half year ending 31 December 2022, Perpetual expects its Underlying Profit After Tax for 1H23 to be in the range of \$65 million to \$70 million.

On a standalone basis, Perpetual remains on track to deliver FY23 expense growth at the higher end of its previously stated expense guidance<sup>5</sup>. We expect to be able to provide guidance for the combined group for FY23 as part of the Q3 business update to be released in April 2023. Perpetual will also incorporate Pental’s assets under management into its Q3 business update, where it will disclose AUM by asset class and investor channel.

-ENDS-

This announcement is authorised for release by the Board of Perpetual Limited.

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<sup>5</sup> As disclosed on 25 August 2022 and 19 October 2022.

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**About Perpetual**

Perpetual Limited ("Perpetual") is an ASX listed (ASX:PPT) global financial services firm operating a multi-boutique asset management business, as well as wealth management and trustee services businesses.

Perpetual owns leading asset management brands including Perpetual, Pandal, Barrow Hanley, J O Hambro, Regnan, Trillium and TSW.

Perpetual's private wealth business services high-net worth clients, not for profits, and small businesses through brands such as Perpetual Private, Jacaranda Financial Planning and Fordham.

Perpetual's corporate trust division provides services to managed funds, the debt market and includes a growing digital business, encompassing Laminar Capital.

Headquartered in Sydney, Perpetual services its global client base from offices across Australia as well as internationally from Asia, Europe, the United Kingdom and United States.