

25 August 2022

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

Perpetual FY22 Financial Results

The following announcements to the market are provided:

- FY22 Appendix 4E
- ✓ FY22 ASX Announcement
- FY22 Full Year Statutory Accounts
- FY22 Results Presentation
- FY22 Operating and Financial Review
- Appendix 4G
- FY22 Corporate Governance Statement

Yours faithfully,



Sylvie Dimarco
Company Secretary
(Authorising Officer)

ASX Announcement

25 August 2022

Perpetual Reports FY2022 Results ***Strategic investments delivering strong earnings growth***

- FY22 UPAT¹ of A\$148.2 million, up 21%, driven by earnings growth across all four divisions
- FY22 NPAT of A\$101.2 million, an increase of 39% on FY21
- Fully franked final dividend declared of A\$0.97 per share, bringing the total FY22 dividend to A\$2.09 per share, an increase of 16% on FY21
- Strong performance across all divisions with strategic organic and inorganic growth initiatives delivering growing momentum:
 - Perpetual Asset Management International UPBT up 30% on pcp
 - Perpetual Asset Management Australia UPBT up 18% on pcp
 - Perpetual Private UPBT up 26% on pcp
 - Perpetual Corporate Trust UPBT up 14% on pcp
- FY23 expense growth guidance of 4 – 6%, reflecting selective investment in the global operating model²
- Strong balance sheet and financial position provides capacity to fund the acquisition also announced today
- Proposed acquisition of Pental Group will double our AUM to over A\$200 billion³, and create a global, multi boutique asset management firm with significant scale and reach⁴

Perpetual Limited (Perpetual) (ASX:PPT) has today announced its results for the full year ended 30 June 2022, delivering underlying profit after tax (UPAT) of A\$148.2 million, an increase of 21% on FY21¹. The strong performance was driven by revenue and earnings growth across all four business units. Statutory net profit after tax (NPAT) was A\$101.2 million, 39% higher than FY21 due to the increase in underlying earnings and lower significant items than the prior corresponding period.

FY22 revenue was up 20% to A\$767.7 million, supported by higher average assets under management (AUM) due to higher equity markets, a full twelve months contribution from Barrow Hanley in Perpetual Asset Management International (PAMI) and continued organic and inorganic growth across both Perpetual Corporate Trust (PCT) and Perpetual Private (PP).

¹ UPAT is NPAT adjusted to remove significant items which do not reflect the normal operating activities and are material in nature. Refer to the Operating and Financial Review (OFR) for the twelve months ended 30 June 2022 for the definition of UPAT and reconciliation with NPAT.

² Excludes the proposed acquisition of Pental Group announced today.

³ As at 30 June 2022. The acquisition, by way of scheme of arrangement, is expected to be implemented in late calendar year 2022/ early 2023, subject to customary regulatory approvals and Pental shareholder vote.

⁴ Proposed acquisition of Pental Group announced separately today. More information about the announcement is available on the shareholder section of our website www.perpetual.com.au/about/shareholders.

Commenting on the full year results, Perpetual Chief Executive Officer and Managing Director, Rob Adams, said, “Perpetual has delivered a robust financial result in FY22, driven by strong earnings growth across all four of our business units.

“This performance reflects the continued growth of our global asset management business, including the first full twelve month contribution from Barrow Hanley, and was supported by higher average equity markets over the year.

“The strength of our international asset management division was complemented by double digit growth across each of Perpetual’s Australian businesses. Pleasingly, we saw improved operational performance in Perpetual Asset Management Australia (PAMA), and continued growth in PP and PCT. These businesses continue to go from strength to strength, demonstrating the consistency of their earnings profiles, as well as the benefits of their non-market linked revenues and diversification attributes.”

“The Group has maintained a strong balance sheet position, enabling us to drive organic growth and pursue inorganic opportunities with conviction, when they are in line with our strategic ambitions and future growth potential such as our announcement today of the proposed acquisition of Pental Group⁴.

“This defining acquisition is strategically and financially compelling, allowing us to realise our strategic ambitions significantly sooner than would otherwise occur individually, bringing forward years of growth potential. The combined group will have premium and trusted asset management brands, strong alignment on culture and investment autonomy, a significantly enhanced global distribution team and global leadership in ESG investing.”

Overview of Results

FOR THE PERIOD	FY22	FY21 ²	FY22 v	FY22 v
	\$M	\$M	FY21	FY21
Operating revenue	767.7	640.6	127.1	20%
Total expenses	(566.5)	(471.2)	(95.3)	(20%)
Underlying profit before tax (UPBT)	201.2	169.3	31.9	19%
Tax expense	(53.0)	(46.6)	(6.5)	(14%)
Underlying profit after tax (UPAT)¹	148.2	122.8	25.4	21%
Significant items ³	(47.0)	(49.9)	2.9	6%
Net profit after tax (NPAT)	101.2	72.9	28.3	39%

1. Underlying profit after tax (UPAT) attributable to equity holders of Perpetual Limited reflects an assessment of the result for the ongoing business of the Group as determined by the Board and management. UPAT has been calculated in accordance with ASIC’s Regulatory Guide 230 - Disclosing non-IFRS financial information. Refer to Appendix B of the Operating and Financial Review (OFR) for a reconciliation of the adjustments between Statutory Accounts and the OFR. UPAT attributable to equity holders of Perpetual Limited is disclosed as it is useful for investors to gain a better understanding of Perpetual’s financial results from normal operating activities.
2. Prior periods comparative has been restated due to a change in accounting policy on the treatment of Software-as-a-service (SaaS) costs. Refer to Section 6-4 in the Financial Statements.
3. Significant items include transaction and integration costs, non-cash amortisation of intangibles, unrealised gains/losses on financial assets and accrued incentive compensation liability. For more information, please see the Operating and Financial Review.

Business Unit Overviews

Perpetual Asset Management International

PAMI, our international asset management division which encompasses the Trillium and Barrow Hanley businesses, delivered total revenue of A\$218.8 million, an increase of A\$79.6 million or 57%

versus FY21. The increase in revenue was largely due to a full twelve months of Barrow Hanley results, higher average AUM driven by higher equity markets compared to FY21 and favourable foreign exchange movement. In addition, PAMI reported underlying profit before tax of A\$52.9 million, a 30% increase on FY21.

AUM for PAMI as at 30 June 2022 totalled A\$69.1 billion, a decrease of A\$4.5 billion on FY21. The decrease was driven by net outflows of A\$5 billion and lower equity markets particularly phased towards the end of the year, partially offset by positive foreign exchange impacts.

Mr Adams said, “Our international division has been an area of strategic focus for Perpetual as we progress our plans to improve the net flow profiles of Trillium and Barrow Hanley as we continue the build-out of our global distribution footprint, including establishing appropriate investment structures for new clients to access their capabilities across key regions. Our strong presence in the US, is now complemented by an increasing presence in the UK, European and Asian markets.”

“The investment we have made in an expanded global distribution team is delivering, with a growing pipeline of new business, including some of the largest individual investment mandates in Trillium’s history expected to flow early in the first half of FY23.”

Perpetual Asset Management Australia

In FY22, PAMA reported revenue of A\$169.0 million, A\$3.3 million or 2% higher than in FY21. This increase in revenue was driven by higher average AUM due to higher average equity markets compared to FY21 and improved investment performance, partially offset by lower performance fees, net outflows, distributions and product repricing primarily from the prior year. AUM for PAMA at the end of the period was A\$21.3 billion, a decrease of A\$3.4 billion on FY21.

Mr Adams said, “PAMA saw an improvement on the prior year’s results due to an increase in average AUM over the course of the year and disciplined cost management. While our AUM was impacted by the decline in markets towards the end of the financial year, our investment teams delivered very strong relative investment performance, with 88% of our strategies outperforming their benchmarks over three years⁵.

“PAMA has continued to introduce new products that provide greater access for investors, launching three exchange-traded managed funds (Active ETFs) during the year. We are contemporising our product range to make it easier for investors to access our capabilities.

“Through the year, we also increased our investment in marketing campaigns and distribution focus on the intermediary channel. This has seen PAMA record the strongest flows from intermediaries in seven years.”

Perpetual Private

PP delivered revenue of A\$211.2 million, an increase of A\$27.5 million or 15% higher than FY21, and underlying profit before tax of A\$44.3 million, 26% higher than FY21. The strong performance of PP was driven by higher market related revenue, positive net flows (both organic and through the acquisition of Jacaranda Financial Planning) and through the impressive performance of our range of alternative funds which generated performance fees revenue. Perpetual Private’s funds under advice (FUA) at the end of FY22 was A\$17.4 billion, or 2% higher than FY21.

Mr Adams said, “PP built upon its strong performance in the first half to deliver a terrific result for the full year. As people return to in person meetings, PP has benefited from increased conversations with our clients and new client growth. PP saw growth over the period across all segments supplemented

⁵ Past performance is not indicative of future performance. See www.perpetual.com.au for relevant performance of all strategies. The product disclosure statements (PDS) of any of the strategies should be considered before deciding whether to acquire or hold units in any funds. Target Market Determinations for the PAMA funds are available. PAMA funds are not for distribution in the United States.

by our acquisition of Jacaranda Financial Planning, which is generating new client interest following the expansion of its seminars on the Australian eastern seaboard. The result for the year highlights the strength of the PP business as one of Australia's pre-eminent high net worth, wealth management firms. We will remain fully focused on addressing the gap in the market that exists for quality advice and wealth management services to continue to grow our FUA."

Perpetual Corporate Trust

PCT generated revenue of A\$158.5 million in FY22, A\$23.7 million or 18% higher than in FY21, and produced an underlying profit before tax of A\$72.6 million, 14% higher than FY21. The result was driven by growth across all of PCT's key business lines – Debt Market Services, Managed Fund Services and the newly established Perpetual Digital. Total funds under administration was A\$1,092.3 billion, up 18%.

Mr Adams said, "Pleasingly, we saw growth across the full suite of PCT's business lines over the year, again demonstrating the growth trajectory and stable earnings profile of the division, which this year surpassed the one trillion milestone in funds under administration.

"In Debt Market Services, we saw underlying growth in the securitisation portfolio from new and existing clients, higher document custody volumes and additional new clients in trust management. The Managed Fund Services business saw positive market activity within commercial property and managed investment funds segments, supported by higher asset prices.

"Our acquisition of Laminar Capital helped to deliver a strong result in the newly created division of PCT, Perpetual Digital. This was also supported by the launch of new products which have helped to expand Perpetual Digital's client base."

Dividends

The Board has determined to pay a final dividend of A\$0.97 per share on 30 September 2022, resulting in a total dividend for the full year of A\$2.09 per share, an increase of 16% on FY21.

This represents a payout ratio of 80% for the 12 months ended 30 June 2022 and is in line with Perpetual's dividend policy to pay dividends within a range of 60% to 90% UPAT on an annualised basis and maximising returns to shareholders.

The Dividend Reinvestment Plan (DRP) will be operational for the final dividend. No discount will apply and the DRP will be met by issuing new shares.

Outlook

In commenting on the outlook, Mr Adams said: "While the macroeconomic and geopolitical conditions pose challenges for the global financial services industry, the outlook for Perpetual remains positive. Perpetual's unique combination of businesses provides the Group with diversification of earnings and growth opportunities, and a level of downside protection in times of market volatility through our non-market linked revenues in PCT and PP. In addition, the strength of the Perpetual brand, built over generations as a leading provider of fiduciary services, has created a confidence and trust that gives the Group a strong foundation for future growth.

"Perpetual enters the new financial year with positive momentum across each division. The proposed acquisition of Pandal is a significant milestone in Perpetual's long history, bringing together two businesses with premium brands and aligned multi-boutique approaches, to create a leading global asset manager significantly leveraging the build-out of our global asset management business over the last two years.

"The completion of the Pandal acquisition will deliver significant scale and global reach, diversified independent brands promoting investment autonomy at all times and delivering a broad array of high quality investment capabilities, a global leadership position in ESG investing and a substantial, high



quality global distribution team, all complemented by our industry-leading wealth management and trustee businesses.”

Investor Briefing

Perpetual will hold an investor briefing to present its results and details on the proposed acquisition of Pandal Group at 11:00am AEST today.

If you would like to join the briefing, please **register in advance** either via the webcast or the teleconference:

Webcast: <https://edge.media-server.com/mmc/p/c5tktp3u>

Teleconference: <https://s1.c-conf.com/diamondpass/10019550-asm222.html>

-Ends-

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