

27 February 2025

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

*Via electronic lodgement*

## Perpetual Half Year Financial Results

Please find attached the following announcements for release to the market:

### Appendix 4D

- ✓ 1H25 ASX Announcement
- 1H25 Results Presentation
- Half Yearly Report and Accounts
- Operating and Financial Review – 31 December 2024

This release has been authorised by the Board of Directors of Perpetual Limited.

Yours faithfully



Sylvie Dimarco  
**Company Secretary**

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27 February 2025

ASX Announcement

## Perpetual Reports First Half 2025 Results

### *Revenue and underlying profit growth across all three businesses*

- 1H25 UPAT<sup>1</sup> of A\$100.5 million, up 2% on 1H24
  - Asset Management UPBT of A\$102.6 million, up 7% on 1H24
  - Wealth Management UPBT of A\$29.2 million, up 12% on 1H24
  - Corporate Trust UPBT of A\$44.0 million, up 8% on 1H24
- 1H25 NPAT of A\$12.0 million compared to A\$34.5 million in 1H24
- Assets under Management (AUM) of A\$230.2 billion, up 8% on 1H24
- Corporate Trust's Funds Under Administration (FUA) was A\$1.25 trillion up 4% on 1H24
- Wealth Management's FUA was A\$20.6 billion up 8% on 1H24
- 1H25 total expense growth of 4%, delivered in-line with guidance
- Statutory results impacted by an impairment of A\$25.5 million in Asset Management as well as one-off costs related to the Scheme with KKR and an unrealised gain on a hedging facility
- An interim dividend of A\$0.61 per share declared, unfranked
- FY25 total expense growth guidance of 4% driven by Corporate Trust and Wealth Management
- Uplifted simplification program to deliver annualised cost reductions of between A\$70 million - A\$80 million, before tax, by FY27
- Progressing with separation and proposed sale of Wealth Management following termination of Scheme of Arrangement with KKR announced on 24 February

Perpetual Limited (Perpetual) (ASX:PPT) today announced its results for the half year ended 31 December 2024 (1H25). Underlying profit after tax (UPAT) was A\$100.5 million, 2% higher than the prior corresponding period as a result of higher AUM in Asset Management and continued growth across the Wealth Management and Corporate Trust businesses. Statutory net profit after tax (NPAT) was A\$12.0 million, lower than 1H24, due to significant items predominantly related to the Strategic Review and activities related to the Scheme of Arrangement with KKR, the Simplification Program and an impairment of A\$25.5 million in the Asset Management business.

Operating revenue for the year was A\$686.2 million, an increase of 4% on 1H24, reflecting revenue growth across all three businesses.

The Board has determined to pay an interim dividend of A\$0.61, unfranked, representing a payout ratio of 70% of UPAT.

<sup>1</sup> 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 six months ending 31 December 2024 for the definition of UPAT and reconciliation with NPAT.

Commenting on the first half performance, Perpetual CEO and Managing Director, Mr Bernard Reilly, said: “Perpetual has delivered a solid first half financial performance underpinned by revenue and underlying profit growth across all three of our businesses.”

“We saw an overall increase in AUM during the half in our Asset Management business reflecting positive equity market movements, investment outperformance and currency movements which underpinned higher revenue, along with higher performance fees and improved contributions from Barrow Hanley, Trillium and Pental compared with the prior corresponding period.

“The Wealth Management business continued to grow, delivering organic growth across both market and non-market linked revenues. In Corporate Trust, we continued to see consistent growth across all segments and products, in addition to growing interest from clients in our Perpetual Digital business.”

### Overview of Results

| FOR THE PERIOD  | 1H25         | 1H24         | 1H25 v<br>1H24 |
|---|--------------|--------------|----------------|
|   | \$M          | \$M          |                |
| Operating revenue                                     | 686.2        | 657.8        | 4%             |
| Total expenses  | (543.1)      | (522.4)      | (4%)           |
| <b>Underlying profit before tax (UPBT)</b>            | <b>143.1</b> | <b>135.3</b> | <b>6%</b>      |
| Tax expenses  | (42.7)       | (37.2)       | (15%)          |
| <b>Underlying profit after tax (UPAT)<sup>a</sup></b> | <b>100.5</b> | <b>98.2</b>  | <b>2%</b>      |
| Significant items <sup>b</sup>                        | (88.5)       | (63.6)       | (39%)          |
| <b>Net profit after tax (NPAT)</b>                    | <b>12.0</b>  | <b>34.5</b>  | <b>(65%)</b>   |

- 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 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.
- Significant items include transaction, integration and strategic review costs, non-cash amortisation of intangibles, unrealised gains/losses on financial assets, accrued incentive compensation liability and impairment losses on financial assets. For more information, please see the Operating and Financial Review.

### Business Unit Overviews

#### Asset Management

Asset Management reported underlying profit before tax of A\$102.6 million, 7% higher than 1H24, supported by higher performance fees and higher average AUM during the period. 1H25 Asset Management revenue was A\$455.0 million, an increase of 4% on 1H24.

Total AUM<sup>2</sup> was A\$230.2 billion at 31 December 2024, an increase of A\$15.2 billion on 2H24, driven by a strengthening of foreign exchange rates, positive movements in markets and strong investment performance, partially offset by A\$3.4 billion net outflows.

Mr Reilly said, “Our Asset Management business delivered growth, despite a mixed performance across our portfolio of boutique investment management firms. This reflects the positive impact from favourable equity market movements over the quarter while also demonstrating the value of our multi-boutique model. Through the period, we experienced outflows in Global, International and US equity strategies

<sup>2</sup> For AUM in the US region, a conversion rate of AUD:USD - 0.62 at 31 December 2024 was used, for EUKA AUM, a conversion rate of AUD:GBP - 0.50 at 31 December 2024 was used.

managed by J O Hambro and Barrow Hanley which were disappointing, however these were partially offset by net inflows in our Australian boutiques Pental and Perpetual.

“Pleasingly, we recorded solid relative investment performance with 65% of strategies outperforming benchmark<sup>3</sup> over the three-year period to 31 December 2024.”

### Corporate Trust

Corporate Trust recorded UPBT of A\$44.0 million, 8% higher on the prior corresponding period, with all three business segments delivering growth. Corporate Trust’s total Funds Under Administration (FUA) were A\$1.25 trillion as at 31 December 2024, up 4% on 1H24.

Mr Reilly said, “Our Corporate Trust business has continued to deliver consistent revenue growth in the first half. This was underpinned by double digit year-on-year FUA growth in Debt Market Services’ public securitisation segment and additional new clients in trust management. Managed Funds Services also experienced solid FUA growth in Wholesale Trustee and double digit growth in Responsible Entity particularly across commercial property and fixed income.

“Corporate Trust’s Digital business also reported organic growth, supported by multiple new client wins across securitisation reporting.”

### Wealth Management

Wealth Management reported UPBT of A\$29.2 million, 12% growth on the prior corresponding period. The increase was supported by strong organic growth, and contributions in the pre-retiree segment as well as in accounting practice, Fordham and the medical and aged care segments.

Wealth Management’s FUA as at 31 December 2024 was A\$20.6 billion, 8% higher than 1H24, largely driven by an improvement in equity markets. Net flows were stable.

Mr Reilly said, “Our Wealth Management businesses benefitted from growth in both non-market revenues as interest rate levels remained at elevated levels as well as increasing revenues linked to the improvement across equity markets.

### Dividends

The Board has determined to pay an interim dividend of A\$0.61 per share, unfranked. The interim dividend will be paid on 4 April 2025 with a record date of 14 March 2025.

This interim dividend represents a payout ratio of 70% of UPAT for the 6 months ended 31 December 2024, in line with Perpetual’s dividend policy to pay dividends within a range of 60% to 90% of UPAT on an annualised basis and maximising returns to shareholders.

### Significant Items and Impairment

Perpetual’s Asset Management business experienced greater than anticipated net outflows over 1H25 in some key strategies, particularly in the J O Hambro boutique which recorded net outflows of A\$3.6 billion. Based on the projected earnings impact of these outflows and the impact on

<sup>3</sup> Outperformance presented on a gross of fees basis. Investment performance of the strategies may differ once fees and costs are taken into account. Past performance is not indicative of future performance. The disclosure document or product disclosure statement (PDS) of any of the investment strategies should be considered before deciding whether to acquire or hold units in any strategy. Target Market Determinations for the Perpetual funds are available on [www.perpetual.com.au](http://www.perpetual.com.au) or calling 1800 022 033. Target Market Determinations for the Pental Funds are available on [www.pentalgroup.com](http://www.pentalgroup.com) or 1300 346 821. Refer to Perpetual’s, Pental’s, Barrow Hanley’s or Trillium’s websites for further performance information.

expectations for future flows, compared to the assumptions made in FY24, a non-cash impairment charge of A\$25.5 million has been recognised against the carrying value of goodwill for J O Hambro.

Significant items, post tax, were A\$88.5 million for 1H25 in line with previous guidance<sup>4</sup>. Significant items include the impairment announced today, as well as a one-off benefit as a result of an unrealised gain on a debt hedging agreement put in place as part of the transaction with KKR, which amounted to A\$24 million<sup>5</sup>.

### **Uplifted Simplification Program**

Perpetual announced an increase in its target as part of its Simplification Program announced on 29 August 2024, with the program expected to now deliver cost reductions of between A\$70 million and A\$80 million, before tax, by FY27. The program is expected to deliver a simplified, focused Asset Management business and leaner central functions.

The program has delivered approximately A\$10 million in annualised cost reductions in 1H25, ahead of the original target of A\$7.5-A\$10 million for FY25, and is on track to now realise approximately A\$30 million in annualised cost reductions by the end of FY25.

### **Transaction with KKR**

As announced on 24 February 2025, the Board has withdrawn its recommendation in favour of the Scheme with KKR and the Scheme Implementation Deed (SID) has been terminated with no break fee payable in accordance with the SID. KKR has asserted that a break fee is payable and has reserved its rights to seek further damages. Perpetual rejects KKR's contentions.

The Board believes that long-term shareholder value is best achieved by retaining ownership of Corporate Trust and Asset Management while also leveraging the work undertaken through the Strategic Review to pursue a sale of Wealth Management.

### **Balance Sheet**

Perpetual remains focused on a clear pathway to reduce debt over the short to medium term. As at 31 December 2024, gross debt was A\$840 million. Gross debt is expected to reduce to approximately A\$750 - A\$770 million by 30 June 2025. This excludes any proceeds from a sale of Wealth Management. The potential sale of Wealth Management, combined with simplification and cost reduction initiatives across the business announced today, will strengthen the Group's capital position over the longer term.

### **FY25 Expense Guidance**

Total expense growth for FY25 is expected to be approximately 4%<sup>6</sup>, driven by growth in Corporate Trust and Wealth Management.

### **Outlook**

<sup>4</sup> Guidance for significant items of between \$85 million to \$92 million for the half year to 31 December 2024 was announced on 30 January 2025.

<sup>5</sup> Subsequent to the half year period end, Perpetual closed out the hedging position resulting in a realised gain of A\$16.3 million after tax. This will be recognised in the full year results within significant items.

<sup>6</sup> Based on AUD:USD of 0.64 and AUD:GBP of 0.50. Note that expenses can fluctuate depending on exchange rates, interest rates and variable remuneration impacted by movements in AUM and performance fees.

Commenting on the outlook, Mr Reilly said, “Despite some challenges, our three high-quality businesses have delivered solid growth during the half with opportunity for future organic growth across a number of segments.

“My conviction in the quality, performance and growth opportunities across all of our businesses has only increased since I joined Perpetual. I am confident in our strategic direction and believe that focused execution of the business separation, our revised Simplification Program and the refreshed operating model for Asset Management will deliver value for shareholders.”

-Ends -

## Investor Briefing

Perpetual will hold an investor briefing to present its results at 11:00am AEDT today.

If you would like to join the briefing, please register to join the webcast via the link below:

Webcast: <https://edge.media-server.com/mmc/p/i3nv6zdt>

If you would like to ask questions, please join the teleconference via the link below:

Teleconference registration:

<https://register.vevent.com/register/Blad0ebba3114f4858803c7830beca98f8>

### For more information please contact:

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## About Perpetual Group

Perpetual Limited (Perpetual Group) 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 Group owns leading asset management brands including Perpetual, Pental, Barrow Hanley, J O Hambro, Regnan, Trillium and TSW.

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

Perpetual Group’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.