



# Sale of Praemium's International business to Morningstar

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Praemium Limited (ASX: PPS) (**Praemium**) today announced it has entered into an agreement to sell 100% of its operations in United Kingdom, Jersey, Hong Kong and Dubai (**International Business**) to Morningstar, Inc. (Nasdaq: MORN) (**Morningstar**). The consideration for the transaction will comprise cash of £35 million (\$AUD 65.1 million)<sup>1</sup>, subject to completion adjustments.

The transaction will allow Praemium to focus its financial and leadership resources on further accelerating its growth trajectory in the Australian platform market. At the same time, it unlocks capital and is a strong endorsement of the quality of Praemium's platform and technology.

Praemium CEO Anthony Wamsteker commented, "We are delighted that Morningstar, a global firm of outstanding stature has chosen to acquire our International Business.

"While enjoying strong sales momentum and technology leadership, the International Business has been operating at a scale disadvantage to its key competitors. Morningstar will bring its global footprint and investment scale to better serve the interests of international clients and better advance the career opportunities of our international employees.

"Importantly, this sale will allow Praemium to focus its financial and leadership resources on the enormous opportunity in the Australian platform market. It is a significant milestone in our journey to becoming one of Australia's largest independent specialist platform providers.

"Praemium is well positioned in the Australian wealth management industry with platform, non-custodial and SAAS offerings. Following last quarter's record FUA momentum, we continue to see a solid pipeline of inflows and opportunities to support future growth across all our business segments."

Completion of the transaction remains subject to regulatory approval from the Financial Conduct Authority in the United Kingdom and the Jersey Financial Services Commission in Jersey, and other customary conditions. At this stage the parties expect to complete the transaction during Q2/Q3 of calendar year 2022.

Following completion, the Praemium Board intends to return surplus net proceeds to its shareholders. Given the projected capital and franking credit position post the sale and underlying profitability of the Australian business it is expected that a dividend policy will be introduced for FY2023 onwards.

Daniel Needham, president of wealth management solutions for Morningstar, commented: "Praemium has a fast-growing UK and international business and a talented team we look forward to welcoming to Morningstar.

"Technology is playing a larger role in everyone's lives and expectations for how companies deploy it are evolving quickly. Advisers and the investors we jointly serve are no exception, and Praemium's digital-first capabilities will allow us to reduce friction, lower costs, provide more choice, and improve efficiency for advisers. This gives advisers time back to deliver better advice, empowering investor success."

Morningstar is a leading provider of independent investment research in North America, Europe, Australia, and Asia. With operations in 29 countries, Morningstar offers an extensive line of products and services for individual investors, financial advisers, asset managers and owners, retirement plan providers and sponsors, and institutional investors in the debt and private capital markets. The end-to-end solution from Praemium will add to Morningstar's existing data, fund profiles, portfolio analytics, and investment management capabilities available to advisers, creating a complete experience designed to empower investor success at scale.

Praemium and Morningstar will work together to ensure a smooth transition for customers and employees.

<sup>1</sup> GBP exchange rate of 0.5375

Praemium was advised by Deloitte Corporate Finance, Arnold Bloch Leibler and Nicholson Ryan Lawyers.  
This announcement is authorised by the Board of Praemium Limited.

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**About Praemium (ASX: PPS):** Praemium is a global leader in the provision of technology platforms for managed accounts, investment administration and financial planning. Praemium services in excess of 400,000 investor accounts covering over \$200 billion in funds globally for more than 1,000 financial institutions and intermediaries, including some of the world's largest financial institutions.

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