

24 February 2025

Termination of Scheme with KKR

Perpetual to progress separation of three strong underlying businesses and pursue sale of Wealth Management

Perpetual Limited (Perpetual) (ASX:PPT) today provides a further update on the Scheme of Arrangement (Scheme) with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR"), following its announcements on 10 December, 17 December 2024 and 17 February 2025.

Termination of Scheme and engagement with KKR

The Independent Expert has now issued its Report which concludes that the Scheme agreed with KKR on 8 May 2024 is not in the best interests of shareholders. As a result, the Board has withdrawn its recommendation in favour of the Scheme and the Scheme Implementation Deed (SID) has been terminated with no break fee payable in accordance with the SID.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.

In the period since the announcement of the ATO's feedback in December, Perpetual and KKR have engaged extensively including on revised non-binding indicative proposals received from KKR. Despite constructive engagement, no alternative transaction has been agreed. After thorough review and the extensive period of engagement, the Board has determined that the value and terms of those revised proposals, including the various conditions included, were not in the best interests of shareholders and discussions have now ended.

In taking these steps, the Board believes that long-term shareholder value is best achieved by retaining ownership of its high quality businesses that have strong market positions and provide organic growth opportunities, while also leveraging the work undertaken through the Strategic Review conducted in 2024 that considered all aspects of portfolio optimisation. Perpetual will continue executing on the business separation program to establish standalone and more autonomous businesses, as well as implementing a new operating model for Asset Management and delivering on an improved cost reduction program. Perpetual is well advanced on these initiatives which were already underway in the context of preparing for implementation of the Scheme.

Wealth Management divestment

In parallel with the business separation program, leveraging the work undertaken through the Strategic Review, the Board has also determined to pursue a sale of the Wealth Management business. Wealth Management is a quality, highly regarded business with a broad service offering to high-net-worth clients as well as leading fiduciary and Philanthropic

For personal use only

offerings. Proceeds from a planned sale would be used to strengthen the Group's capital position, as well as support investment in organic growth in both Corporate Trust and Asset Management.

Perpetual's CEO and Managing Director, Bernard Reilly, said:

"After extensive review of the options available to Perpetual shareholders, we believe this is the right course of action to deliver long-term value for our shareholders. My conviction in the quality, performance and growth opportunities across all of our businesses has only increased since I joined Perpetual in September last year.

"Today's path forward retains earnings diversification in the near term while we work toward implementing a leaner, more simplified operating model with three very focused businesses that can deliver better returns and with a stronger balance sheet to support investment in growth over time."

Balance Sheet

The Board is focused on a clear pathway to reduce debt over the short to medium term.

The potential sale of Wealth Management, combined with simplification and cost reduction initiatives across the business, would strengthen the Group's capital position over the longer term. Further details on cost reduction initiatives and the balance sheet as at 31 December 2024 will be announced as part of the 1H25 results on 27 February 2025.

Transaction and Separation Costs

In progressing the Strategic Review and separation program in preparation for the Scheme, Perpetual has incurred transaction and separation costs of approximately \$42.6 million, post tax, for the 12-month period to 31 December 2024 and \$24.4 million, post-tax, for the six month period to 31 December 2024 (which will be treated as significant items as part of the 1H25 results).

Chairman of Perpetual

On 29 August 2024, Perpetual announced that on finalisation of the KKR Transaction, Gregory Cooper would take over from Tony D'Aloisio as Perpetual's Chairman. As that transaction is now at an end, the Board confirms that on completion of the 1H25 results on 27 February 2025, Gregory Cooper will become the Chairman of Perpetual.

-ENDS-

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

Please contact:

Investors:

Susie Reinhardt
Head of Investor Relations
Perpetual Limited
Tel: +61 2 9125 7047
susie.reinhardt@perpetual.com.au

Media:

Jon Snowball | Lachlan Johnston
Sodali & Co
+61 477 946 068 | +61 499 953 336
jon.snowball@sodali.com |
lachlan.johnston@sodali.com

For personal use only

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.

For personal use only