



30 August 2018

ASX Announcement

Perpetual announces increased profit from diversified business

- FY18 NPAT of \$140.2 million, up 2% on FY17
- Fully franked full year dividend of \$2.75 per share, up 4% on FY17
- Perpetual Private experienced record flows now with ten consecutive halves of positive net flows
- Perpetual Corporate Trust delivered strong revenue growth and profit
- Perpetual Investments remains a true to label value manager with performance challenged in current conditions

Perpetual Limited (Perpetual) has announced statutory net profit after tax (NPAT) of \$140.2 million for the year ended 30 June 2018, up 2% on FY17, and operating revenue of \$533.7 million, up 4%.

A final dividend of 140 cents per share was determined by the Board, delivering a full year dividend of \$2.75 per share, fully franked.

Commenting on the result Interim Chief Executive Officer, Chris Green said: "This result demonstrates the value of our work in building and investing to develop a diversified business.

"Perpetual Investments this year maintained its market share position in Australian Equities in challenging conditions for a true-to-label value manager. Both Perpetual Private and Perpetual Corporate Trust delivered double-digit profit growth, building on strong client support and positive market conditions.

"Perpetual's consistent approach and strong brand, reputation and client relationships across all three businesses will continue to deliver long term value for shareholders," he said.

Mr Green noted new CEO Mr Rob Adams will join the business on 24 September with a proven track record of developing and executing on growth strategies.

Business Unit overview

Perpetual Investments

Profit before tax for Perpetual Investments was \$112.5 million, 3% lower than FY17. An increase in operating expenses was partially offset by higher performance fees.

Mr Green said, "Perpetual Investments' active value style has been employed consistently through market cycles to deliver long term value for investors. Market conditions have been challenging for Perpetual Investments, although a number of product extensions are gaining traction and attracting inflows.

"Over the year our Global Share Fund received a rating upgrade, we launched a new Ethical SRI Credit Fund, while our Credit and Fixed Income suite is performing well and attracting investment flows," he said.

Perpetual Private

Perpetual Private's profit before tax was \$46.1 million, 14% higher than FY17. This was driven by positive net flows and new client growth in target segments, as well as positive equity markets and increased non-market related revenues.

Mr Green said, "Perpetual Private delivered double-digit PBT growth based on our clear and targeted client segmentation strategy.

"In a challenging year for the financial advice industry, our strategy and differentiated approach have underpinned record inflows and ten consecutive halves of positive net flows.

"Record referrals from our Fordham business, which remains the largest referral partner to the high net worth advice business, demonstrates the complementary and cohesive nature of our operating model. It is clear the client service offering is working well and driving strong results.

"Philanthropy is an intrinsic part of Perpetual's heritage and during the year we distributed more than \$120 million to not-for-profit organisations on behalf of our clients."

Perpetual Corporate Trust

Perpetual Corporate Trust's profit before tax was \$42.6 million, which was 16% higher than FY17. Strong issuance in securitisation markets, continued market activity within commercial property and managed funds, combined with higher asset prices all contributed to the result.

Mr Green said, "We are pleased with the continued strong growth in our core Debt Markets and Managed Funds Services businesses as well as the momentum in new extension offerings for our clients.

"To that end, we continued to invest in our data and analytics solutions this year, while a significant technology modernisation program has also been established to deliver stronger foundations for future growth," he said.

- Ends -

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About Perpetual

Perpetual is an independent financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, go to www.perpetual.com.au