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Revised terms for Scheme of Arrangement with Pental and Court update

Perpetual Limited (“Perpetual”) (ASX:PPT) announces that both parties have agreed to revise the cash and scrip consideration mix (“Revised Terms”) under the Scheme of Arrangement with Pental Group (“Pental”) (ASX:PDL) under which Perpetual would acquire 100% of shares in Pental.

Under the Revised Terms, there will be a reduction in the cash component and an offsetting increase in the scrip component. Pental shareholders will receive 1 newly issued share in Perpetual, in exchange for 7.00 Pental ordinary shares and \$1.65 cash per Pental share¹. This compares to the original offer consideration of 1 newly issued share in Perpetual in exchange for 7.50 Pental ordinary shares and \$1.976 cash per Pental share¹. There are no other material changes to the Scheme Implementation Deed (SID).

The offer price under the Revised Terms remains unchanged at \$6.54, based on Perpetual’s undisturbed share price of \$34.23 as at 1 April 2022.

The Revised Terms further strengthen the balance sheet and enhance the financial flexibility for the combined group. Perpetual will retain majority ownership of the combined group² and the transaction is expected to remain double-digit EPS accretive to Perpetual shareholders in the first twelve months post completion³. Under the Revised Terms, leverage of the combined group will be reduced given the reduction in the cash consideration of ~\$125m. This represents a 16.5% reduction in the cash component, as announced on 25 August 2022⁴.

As per the announcement on 10 November 2022, in response to Pental’s application to the court, Perpetual has sought a declaration from the Court to clarify the scope of the Perpetual directors’ fiduciary carve out in the SID dated 25 August 2022. This carve out for a payment of up to \$23 million is important for Perpetual’s Board in the event that it needs to pursue a major transaction it determines may be in the best interests of its

¹ The cash component will be reduced by the final FY22 dividend declared by Pental of 3.5 cents per share.

² Under the Revised Terms, Perpetual shareholders would own 51.1% of the combined group.

³ EPS accretion on an underlying basis and assumed full run rate synergies. Assumed January 2023 implementation. EPS accretion calculated with reference to broker consensus earnings for both Pental and Perpetual. Note accounting treatment and definitions of UPAT will need to be aligned post transaction.

⁴ For reference, please see page 16 of the Acquisition of Pental Group investor presentation dated 25 August 2022.



shareholders. A decision on the declaration will be handed down by the Court tomorrow morning.

Additionally, the first court hearing for the Scheme of Arrangement has been deferred until the week commencing Monday, 21 November 2022, to seek orders convening the Scheme meeting and for despatch of the Scheme Booklet to shareholders in November 2022.

Perpetual will continue to keep shareholders informed in line with its continuous disclosure obligations.

-ENDS-

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

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About Perpetual

Perpetual Limited (“Perpetual”) is a global financial services firm operating in asset management, wealth management and trustee services. Perpetual services a global client base from its offices in Australia as well as its international offices in the United States, United Kingdom, the Netherlands and Singapore, as well as a presence in Hong Kong.