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The Manager
ASX Market Announcements
ASX Limited
Sydney NSW 2000

By e-Lodgement

Platinum Asset Management Limited ("Company") turnaround program update

On 29 February 2024 the Company announced a turnaround program that included short term action to realign the Company's expense base with its revenue conditions.

An initial review has now been completed, with the Company targeting at least $25 million in annualised run rate savings. This savings target represents a 26% reduction in the Company's annualised half year expense base of approximately $96 million.

As these savings will only begin to be realised during the last quarter of the 2024 financial year ("FY24"), they are unlikely to generate a material impact on the Company's reported FY24 profit, with the bulk of savings being progressively realised during the 2025 financial year ("FY25").

Savings will encompass both people and non-people costs with one-off restructuring charges (including non-cash charges) to be separately identified in the Company's financial report[1]. The Board will consider the nature of any non-cash charges for the purposes of any FY24 or FY25 dividend determination.

Expense reductions will also result from the expected simplification of the Company's product range, including the rationalisation of Platinum's offshore distribution efforts. Although funds under management are expected to reduce by approximately $0.2 billion as a result of these initiatives, the impact on profit is likely to be positive once related direct and indirect cost savings have been realised.

Institutional mandate outflow

Unrelated to the anticipated expense reductions outlined above, Platinum Investment Management Limited expects to receive partial redemptions of at least $1.4 billion from its institutional and wholesale business over the coming month with one large client indicating that it intends to

[1] In order to achieve the targeted expense reductions, one-off implementation cash costs of $12 million are estimated to be incurred during FY24. In addition, as a result of simplifying the remuneration framework and right sizing the investment team, there is likely to be an additional circa $9 million of non-cash costs incurred. These non-cash costs primarily relate to an expected change to the accounting treatment for unvested awards under the Platinum Partners' Long-Term Incentive Plan. The Company will provide more detail on its implementation costs for FY25 as they become available, most likely as part of the full year financial results release in August 2024.

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rebalance its exposure away from benchmark agnostic global equity managers. As such, we do not expect the account to close but rather to see a reduction in mandate size. These events, together with some other institutional account changes anticipated to take place over the coming months, are likely to result in a reduction in annualised fee revenue for the Company of approximately $18 million p.a. Importantly, when determining the Company's expense reduction target as outlined above, we factored into our modelling the possibility of such revenue reductions and the potential impact on the Company's profit margin.

Commenting on these changes, Jeff Peters said "*In late February we outlined a strategy to reset and position the business for future growth. I am pleased to be able to report that we are acting swiftly to implement the changes required as part of the reset phase. I would like to reiterate my firm belief that Platinum will emerge from this challenging phase as a revitalised business that is better able to leverage its strong brand and talented team for the benefit of its clients.*"

The Board will continue to keep the market informed as the Company progresses with its turnaround program.

<u>Authorised by</u>
Board of Platinum Asset Management Limited

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