



27 June 2019

IOOF divests its holding in Ord Minnett

IOOF Holdings Ltd (ASX: IFL, OTC: IOOFY) (IOOF) today announced the divestment of its 70% holding in Ord Minnett Holdings Pty Ltd (Ord Minnett) to a consortium of private investors led by current Ord Minnett management (Consortium). Concurrently with the acquisition of IOOF's stake in Ord Minnett, the Consortium will also acquire JP Morgan's 30% stake, enabling it to take full ownership of the business.

Completion of the sale is expected to occur on or around 24 September 2019. The sale consideration for IOOF's 70% stake is \$115.0 million, which is expected to result in a post-tax profit of approximately \$83 million¹ to IOOF.

As noted above, it is the intention of the parties that the sales of IOOF's and JP Morgan's respective stakes in Ord Minnett to the Consortium occur at the same time. To the extent that the sale of both stakes to the Consortium cannot occur at the same time, IOOF will acquire JP Morgan's 30% stake (pursuant to an existing put option that JP Morgan has), and it is intended that IOOF will then sell that 30% stake to the Consortium concurrently with the Consortium's acquisition of IOOF's 70% stake in Ord Minnett.

Renato Mota, CEO of IOOF, said, "This is a timely opportunity for IOOF to divest its holding in Ord Minnett as we recalibrate our business and focus on our core wealth management capabilities.

"We are committed to our advice - led strategy and are investing in client focused initiatives, such as Client First and our Advice Academy, as well as accelerating change in our business to deliver better outcomes for our clients and members."

Ord Minnett has \$10.1 billion in FUA at 31 May 2019 and 264 licensed financial advisers². Ord Minnett and its controlled entities' unaudited, post-tax and non-controlling interest contribution to IOOF's underlying net profit after tax for the eleven months to 31 May 2019 was \$11.0 million³.

Mr Mota commented, "Ord Minnett is a high-quality business and has been successfully led by its Board and management, under IOOF and JP Morgan ownership, for over a decade. IOOF will continue to provide services to Ord Minnett for the next 12 months to ensure an orderly transition for the company and its clients."

-ENDS-

¹ Based on projected attributable net assets at the completion date

² ASIC adviser data set 20 June 2019 - current advisers for Ord Minnett Ltd (excludes advisers dual licensed to Ord Minnett Ltd and Ord Minnett Financial Planning).

³ Detailed half year comparative and other information at Appendix 1

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Appendix 1 - Detailed half year comparative and other information

Ord Minnett contribution to Financial Advice segment

\$'M	Unaudited 2H19	Reviewed	Audited	
	Jan - May actuals	1H19	2H18	1H18
Revenue	26.6	32.6	31.3	28.4
Direct Costs	(36.8)	(42.6)	(43.4)	(39.4)
Gross Margin (GM)	(10.2)	(10.0)	(12.1)	(11.0)
GM %	-0.25%	-0.22%	-0.28%	-0.26%
Other Revenue	36.5	42.4	46.5	45.5
Operating Expenditure	(17.6)	(19.3)	(20.6)	(19.9)
Net Non Cash	(0.3)	(0.3)	(0.3)	(0.3)
Net Interest	0.1	0.3	0.4	0.2
Income Tax Expense/N.C.I	(4.2)	(6.4)	(6.8)	(7.2)
UNPAT	4.4	6.6	7.1	7.3
Average FUA (\$'b)	10.0	9.2	8.8	8.4
Net Operating Margin %	0.21%	0.28%	0.32%	0.34%

About IOOF Holdings Ltd

IOOF has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become one of the largest groups in the financial services industry.

IOOF provides advisers and their clients with the following services:

- ☐ **Financial Advice** services via our extensive network of financial advisers and stockbrokers.
- ☐ **Portfolio Management and Administration** for advisers, their clients and hundreds of employers in Australia.
- ☐ **Investment Management** products that are designed to suit any investor's needs.

Further information about IOOF can be found at www.ioof.com.au

