

ASX RELEASE | 30 November 2021

## AMP provides demerger and strategy update

AMP is today providing an update on its planned demerger and the strategic growth plans for the two post-demerger businesses – AMP Limited and AMP Capital's Private Markets business (PrivateMarketsCo).

AMP continues to make strong progress on the operational separation of PrivateMarketsCo, in preparation for demerger in 1H 22. A clear perimeter has been set with the agreed sale of the Global Equities and Fixed Income (GEFI) business and transfer of the Multi-Asset Group (MAG) to AMP Limited.

The rationale for the demerger is to enable the two businesses to increase focus on their respective markets and growth opportunities – AMP Limited as a retail wealth manager in Australia and New Zealand, and PrivateMarketsCo as a global manager of infrastructure and real estate investments with a growing focus on international institutional clients.

In AMP Limited, the strategy sets a clear path to create a new AMP by:

- Renewing purpose and values to put the customer at the centre, and continue to drive culture transformation;
- Repositioning core capabilities to drive growth in banking and wealth platforms;
- Delivering stable earnings in the Master Trust and New Zealand wealth management businesses, and accelerating the transformation of advice;
- Simplifying the business to drive efficiency and agility, including delivering on the FY 19 to FY 22 A\$300 million cost reduction program and committing to a further A\$115 million of cost reduction initiatives from FY 22 through to FY 24; and
- Exploring new opportunities, including in retirement and in direct-to-consumer solutions, as well as in new business adjacencies.

In PrivateMarketsCo, the strategy will focus on leveraging the significant opportunity to become a global leader in the fast-growing private markets industry through:

- Delivering autonomy through an effective separation and demerger from AMP;
- Simplifying the business and organisation structure and achieving a run-rate cost base of A\$300 million by FY 23;
- Growing its client base, led by a newly established global client solutions team and scaling its existing infrastructure and real estate investment strategies; and
- Diversifying its product offering to clients, including potential new investment strategies structured to meet client specific interests globally.

### AMP Chief Executive, Alexis George commented:

*"In AMP Limited and PrivateMarketsCo we have two businesses with considerable growth opportunities, but which operate in very different markets, with different customers, and geographic focus. Separation and demerger will enable both businesses to accelerate their growth strategies, as well as simplify and improve efficiency."*

*"The two largest assets held by Australians and New Zealanders are their home and super – those are the needs that AMP serves.*

*"AMP has been rapidly transformed over the past three years. We are no longer a life insurer. In wealth management we have shifted from a vertically integrated proposition to a contemporary, customer-led service provider. We have invested in our bank to be able to grow in a deep and competitive market.*

*"We see a significant gap in the market in retirement and have strong capability within our business to better serve this market. We also believe we can further scale our business by taking our products direct to clients.*

*"Immediate priorities are to get the demerger done, meet our commitments on costs, drive forward on growth opportunities in Bank and platforms, and set up AMP for a strong future."*

#### **PrivateMarketsCo Chief Executive, Shawn Johnson commented:**

*"PrivateMarketsCo is a business that will thrive with greater focus and independence. Our team has built a strong track record in infrastructure and real estate – and has the capability to expand into new adjacencies and pursue further global growth opportunities, supported by increasing demand for private markets assets from investors around the world.*

*"We have a clear strategy to separate, simplify and broaden our client base and diversify our investment capabilities. We will continue to play a leading role in infrastructure and real estate investments around the world as an independent company.*

*"We have made strong progress on key separation milestones, with the PrivateMarketsCo leadership team in place and the appointment of a respected Chairman designate in Patrick Snowball, who has strong leadership experience in listed businesses in Australia and internationally."*

An analyst briefing, from 11.00am – 3.00pm (AEDT) today can be viewed (listen only) via webcast, [here](#). The Investor Day presentation is available on [AMP's shareholder centre](#).

#### **Media enquiries**

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**Mark Roberts**

Mobile: +61 466 328 581

**Katherine Perry**

Mobile: +61 411 247 629

#### **Investor enquiries**

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**Jason Bounassif**

Phone: +61 2 9257 9684

**Michael Vercoe**

Phone: +61 2 9257 4244

Authorised for release by the Market Disclosure Committee.

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**AMP LIMITED**

33 Alfred Street, Sydney NSW 2000 Australia  
ABN 49 079 354 519

**CORPORATE AFFAIRS**

T 02 9257 6127

E [media@amp.com.au](mailto:media@amp.com.au)

W [AMP.com.au/media](http://AMP.com.au/media)

 AMP\_AU