

PERPETUAL'S 2019 FULL YEAR RESULT



PERPETUAL
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- Perpetual's Financial Year (FY) result for 2019 saw Net Profit After Tax (NPAT) down 17% to \$115.9 million
- Perpetual is paying a fully-franked, full-year dividend of \$2.50 per share - a 100% payout ratio
- Successful launch of the Perpetual Credit Income Trust (ASX: PCI), raising \$440 million
- Perpetual Private enjoyed its sixth consecutive year of positive net flows and implemented a new professional services model
- There was continued growth in Perpetual Corporate Trust, including the acquisition of RFi Analytics, a data analytics business

Perpetual's result for the year ended 30 June 2019 saw a statutory NPAT of \$115.9 million, down 17% on 2018.

Chief Executive Officer and Managing Director, Rob Adams said, "The financial services industry experienced significant disruption during the 2019 financial year. Like many of our peers our business was affected by geopolitical uncertainty, the aftermath of the Royal Commission and a challenging operating environment.

"We continued to invest in our brand and across the business to adapt to this backdrop and remain focused on developing and deepening our client relationships.

"Perpetual has a strong and stable balance sheet. We're seeking to use that strength

and have been looking at acquisition opportunities whilst being diligent and disciplined in assessing those options.

“We want to deliver quality, sustainable growth for our shareholders.”

Strong dividend payout ratio maintained

The Perpetual Board has determined to pay a final dividend of \$1.25 per share, delivering a full-year, fully-franked dividend of \$2.50 per share.

Business Unit Overview

Perpetual Investments

In FY19, Perpetual Investments' (PI) profit before tax (PBT) was \$79.9 million, which was \$32.6 million or 29% lower compared to FY18. Rob Adams said, “The PI business was affected by record low interest rates and an extended market cycle favouring passive and growth investment styles. Perpetual has a long-established value investing style and we've been on the wrong side of that trend in recent years. However, we believe this approach will work for our clients over the longer term and are holding to our tried and proven investment philosophy.”

The highlight of the year was raising the maximum \$440 million for the new Perpetual Credit Income Trust (ASX:PCI), and successfully raising an additional \$101 million for the Perpetual Equity Investment Company (ASX:PIC). Both capital raisings demonstrate continuing strong demand for Perpetual's investment expertise.

Perpetual Private

Perpetual Private's profit before tax was \$41.2 million, 11% lower than FY18. The decrease was largely due to increased investment in strategic initiatives design to drive future growth.

Perpetual Private's funds under advice (FUA) at the end of FY19 was \$14.8 billion, 5% higher than FY18, primarily driven by higher equity markets and positive net flows.

Mr Adams said, “In the aftermath of the Royal Commission we have seen many players exiting the wealth industry and financial advisers being displaced on a weekly basis. In contrast, Perpetual Private is well positioned to take advantage of this dislocation and we are adding high quality advisers to our team.

“We have transformed Perpetual Private's client offer to provide holistic advice in a professional services model. The new model gives clients seamless access to a team of experts to meet their advice needs.

“Perpetual Private experienced its sixth consecutive year of positive flows along with continued new client growth within our chosen high net worth segments.”

Perpetual Corporate Trust

Perpetual Corporate Trust's profit before tax was \$47.7 million, which was \$5.1 million or 12% higher than FY18. The result was driven by continued revenue growth in both Debt Market Services and Managed Fund Services businesses.

“Perpetual Corporate Trust delivered strong growth in FY19,” said Rob Adams. “We continue to provide new solutions for long established clients in debt capital markets while attracting new business from the global asset management sector.

“The acquisition of the RFi Analytics business in December last year highlights our commitment to further growth in our data management capabilities. In today's markets clients are looking for comprehensive reporting and analytics to meet their strategic and compliance needs.

“Perpetual Corporate Trust delivers unrivaled expertise and solutions to our clients, which is why we're the leading independent provider of corporate trustee services to the managed funds industry and debt markets in Australia,” said Mr Adams.

Visit our [Shareholder Centre](#) for the complete FY19 financial results information.