

# PERPETUAL'S ANNUAL RESULT - THE BENEFITS OF DIVERSIFICATION



**PERPETUAL**  
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In its annual result released on 30 August, Perpetual announced higher profits and another increased dividend for shareholders.

## Key Numbers for FY18

- FY18 Net Profit After Tax (NPAT) up 2% to \$140.2 million
- In FY18 Perpetual paid investors fully franked dividends of \$2.75 per share, up 4% on FY17

Interim Chief Executive Officer, Chris Green said: "This result demonstrates the value of investing to develop a diversified business.

Despite challenging equity market conditions for true-to-label value managers, Perpetual Investments maintained its market share position in Australian Equities. Meanwhile both Perpetual Private and Perpetual Corporate Trust delivered double-digit profit growth.

I believe Perpetual's strong brand, reputation and deep client relationships across all three businesses will continue to deliver long term value for shareholders," said Chris.

Perpetual's new CEO, Rob Adams will join the business on 24 September.

## **Business Unit overview**

### **Perpetual Investments**

Profit before tax for Perpetual Investments was \$112.5 million, 3% lower than FY17.

Mr Green said, "Perpetual Investments' active value style has been employed consistently through market cycles to deliver long term value for investors. Market conditions have been challenging for Perpetual Investments, although a number of product extensions are gaining traction and attracting inflows.

Over the year our Global Share Fund received a rating upgrade, we launched a new Ethical SRI Credit Fund, while our broader Credit and Fixed Income suite is performing well and attracting investment flows," he said.

### **Perpetual Private**

Perpetual Private's profit before tax (PBT) was \$46.1 million, 14% higher than FY17. This was driven by increasing investment inflows and new client growth in target segments, as well as increased non-market revenues.

Mr Green said, "Perpetual Private delivered double-digit PBT growth based on our successful client segmentation strategy.

That strategy, which is all about delivering an exceptional service to our chosen client segments, has underpinned record inflows this year - and ten consecutive halves of positive net flows.

Our Fordham accounting business is the largest referral partner to the high net worth advice business, which demonstrates the cohesive nature of our operating model. It is clear this service offering is working for clients **and** driving strong results.

Philanthropy is an intrinsic part of Perpetual's heritage and during the year we distributed more than \$120 million to not-for-profit organisations on behalf of our clients."

### **Perpetual Corporate Trust**

Perpetual Corporate Trust's profit before tax was \$42.6 million, which was 16% higher than FY17. Strong issuance in securitisation markets, continued market activity within commercial property and managed funds, combined with higher asset prices all contributed to the result.

Mr Green said, "We are pleased with the continued strong growth in our core Debt Markets and Managed Funds Services businesses as well as the momentum in new extension offerings for our clients.

To that end, we continued to invest in our data and analytics solutions this year, while a significant technology modernisation program aims to deliver stronger foundations for future growth," he said.

### **Clients and employees**

Mr Green also noted that this year Perpetual recorded excellent results in both client advocacy (NPS scores) and employee engagement. "These results have always been important for us", said Mr Green, "because how we treat our clients and employees is crucial to the success of our business and the long-term returns we generate for our shareholders."

