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## ASX Announcement

### Pendal Completes Strategic Acquisition of US-based Thompson, Siegel & Walmsley LLC

Sydney, Australia, 23 July 2021 - Pendal Group Limited (ASX: PDL) (Pendal) today announced the completion of its acquisition of US-based value-oriented investment management company, Thompson, Siegel & Walmsley LLC (TSW).

#### Highlights

- 96% of TSW client consent to the acquisition secured and expect to achieve 100% consent shortly after close.
- Early completion achieved - reflecting the cultural and commercial alignment of both teams and the strong mutual commitment to realise the growth opportunities ahead.
- John Reifsnider, TSW CEO, to lead Pendal's consolidated US business and joins the Pendal Group Global Executive Committee.
- Step change in Pendal's FUM: more than doubling US FUM to A\$62.5 billion (US\$47.0 billion)<sup>1</sup> and increasing total Group FUM by 31% to A\$139.3 billion.
- Expected to be double digit EPS accretive in the first full year, post completion.

Pendal Group CEO, Nick Good, said, "We are thrilled to welcome the TSW team and its clients to Pendal Group. Client support has been incredibly strong, with 96% TSW client consent received in just 11 weeks. It is testament to the compatibility and drive of the two organisations and their teams that we have completed the acquisition well ahead of original expectations.

"As a result of the acquisition, we will double our addressable market in the US and extend our ability to generate new FUM through the distribution of both TSW and JOHCM products across an expanded global network.

"Today, John Reifsnider becomes the new leader of the combined US business. John and I have worked closely together to complete the transaction expeditiously, cognisant of the importance of client and team support for the go-forward proposition. I am very pleased that John will be taking on this key role."

Mr. Reifsnider said, "The team and I are more convinced than ever of the merits of bringing together these two culturally aligned and forward-looking businesses. We believed from the outset that both organisations are a natural fit with compatibility in investment philosophy, client service and our entrepreneurial approach. The teamwork in delivering early completion and client consent is validation of this view and bodes well for future success."

Mr. Good commented, "This acquisition significantly broadens the range of product solutions we can offer clients via an expanded distribution network, and we are focused on providing our

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<sup>1</sup> Includes TSW FUM of US\$24.6 billion (A\$32.6 billion). Based on exchange rate of AUD:USD of 0.7518 at 30 June 2021.

combined investment strategies to our enlarged client base as soon as possible. Both organisations share a core belief in investment team autonomy, and TSW's investment autonomy will be preserved, an important consideration for our clients.

"As complementary businesses, with almost no overlap of investment strategies, together, we will be better placed to take advantage of the growth opportunities we see in the US market."

There was strong support for the acquisition from Pental's institutional and retail shareholders and as a result, the successful Placement and Share Purchase Plan raised A\$380 million in total. This equity raising reduced the debt and balance sheet funding which was required to complete the transaction to A\$57 million (US\$44 million). This outcome provides additional balance sheet strength and capacity for Pental to accelerate its growth opportunities.

Mr. Good concluded, "The acquisition has delivered immediate value for our shareholders and a step change in Pental Group's diversification, scale and client offering. This creates enhanced opportunities for growth, particularly with increasingly positive investor sentiment, a flourishing US economy and the global economic rebound."

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Authorised for release by Joanne Hawkins, Group Company Secretary, Pental Group Limited.

### About Pental

Pental Group ("Pental") is an independent global investment manager focused on delivering superior investment returns for clients through active management. Pental manages A\$106.7 billion in FUM (as at 30 June 2021) in client assets through J O Hambro UK, Europe & Asia; JOHCM USA; Pental Australia and Regnan.

Pental operates a multi-boutique style business delivering superior results across a global marketplace through a meritocratic investment-led culture. Its experienced, long-tenured fund managers have the autonomy to offer a broad range of investment strategies with high conviction based on an investment philosophy that fosters success from a diversity of insights and investment approaches.

Listed on the Australian Securities Exchange since 2007 (ASX: PDL), the company has offices in offices in Sydney, Melbourne, London, Prague, Singapore, New York, Boston and Berwyn, Pennsylvania in the US.

For further information about Pental Group, please visit [www.pentalgroup.com](http://www.pentalgroup.com)

## About Thompson, Siegel and Walmsley (TSW)

TSW is a US-based value-oriented investment management and advisory company, operating primarily in the long-only equity (International and US) and fixed income asset classes with US\$24.6 billion (A\$32.6 billion) of FUM as at 30 June 2021.

Established in 1969 and headquartered in Richmond, Virginia, the company has a well-known record in attracting and retaining investment talent, with an average tenure of 12 years among the investment team members.

## IMPORTANT NOTICE

### Future performance and forward-looking statements

This announcement contains certain “forward-looking statements”, including projections, potential synergies and estimates, the timing and outcome of the acquisition, the future performance of Pendal and TSW post-acquisition and Pendal’s future earnings per share. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the impact of the acquisition, the future performance and financial position of Pendal (including its earnings per share) and estimated synergies after combination with TSW. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statement. While due care and attention has been used in the preparation of forward-looking statements, forward looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions.

Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Pendal and its directors and management. A number of important factors could cause Pendal’s actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including the risk factors described in the “Key Risks” section of the investor presentation released on 10 May 2021.

Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. To the maximum extent permitted by law, Pendal and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.

### Financial information

All financial information in this announcement is in US Dollars (US\$ or USD) unless otherwise stated. The financial information for TSW contained in this announcement has been derived from the audited consolidated annual accounts of TSW and other financial information made available by BSIG and TSW in connection with the acquisition.

Investors should be aware that certain financial measures included in this announcement are ‘non-IFRS financial information’ under ASIC Regulatory Guide 230: ‘Disclosing non-IFRS financial

information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, and are not recognised under AAS and International Financial Reporting Standards (IFRS). Non-IFRS financial information/non-GAAP financial measures in this announcement include EBITDA. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Pendal believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this announcement.

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