

# Sale of Brooks Macdonald International

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Brooks Macdonald Group PLC  
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Brooks Macdonald Group plc  
For immediate release  
12 September 2024

**Brooks Macdonald Group plc**  
**Sale of Brooks Macdonald International**  
**to Canaccord Genuity Wealth Management Limited**

Brooks Macdonald Group plc ("Brooks Macdonald", the "Group" or the "Company") is pleased to announce that it has entered into a binding agreement with Canaccord Genuity Wealth (International) Holdings Limited ("Canaccord") to sell its wholly owned subsidiary, Brooks Macdonald Asset Management (International) Limited and its subsidiaries ("BMI"), for a total consideration of up to £50.85 million, including an initial consideration of £28 million payable in cash upon completion (the "Disposal"). Completion is expected by March 2025 subject to regulatory approvals.

The Disposal concludes the previously announced strategic review of the Group's international operations (the "Strategic Review").

**Transaction highlights & key terms**

- Initial consideration of £28 million, payable in cash on completion.
- Contingent consideration of up to £22.85 million, payable in cash two years post-completion. The contingent consideration will be dependent on the revenue performance of the BMI business.
- The proceeds of the Disposal will allow for focused investment in the Group's core proposition and will enhance its ability to capitalise on the structural opportunities in the UK, to grow organically and through targeted M&A.
- As of 30 June 2024, BMI had £2.3 billion of Funds under Management ("FUM"). In the financial year 2024, BMI delivered revenue of £19.9 million and £3.3 million of underlying profit before tax<sup>1</sup>.

**Background and rationale for the Disposal**

On 7 March 2024, the Group announced it had commenced the Strategic Review. Various options for BMI have been considered as part of this

review.

The Board has now concluded that the sale of BMI is in the best interests of the Group as it simplifies the Group's operations to focus on its core activities of high-quality investment management and financial planning within the UK. The proceeds of the Disposal will allow for focused investment in the Group's core proposition and will enhance its ability to capitalise on the structural opportunities in the UK, to grow organically and through targeted M&A.

In reaching an agreement with Canaccord, the Board has achieved an attractive result for the Company and its shareholders. The transaction also secures a highly credible future owner for BMI with a strong presence in the Crown Dependencies. The Group will work with Canaccord to ensure a smooth transition for existing BMI clients.

BMI will be acquired by Canaccord with an agreed level of regulatory capital, with any surplus paid for at completion.

The Group will incur £3-5m separation and transitional arrangement costs which will be treated as exceptional items in the current and the following financial year.

**Andrea Montague, CEO Designate & Chief Financial Officer of Brooks Macdonald, commented:**

"We are pleased to announce the sale of BMI to Canaccord as their presence and understanding of the local markets will provide a strong foundation for the future growth and development of the business. I would like to thank all our BMI colleagues for their commitment to their clients and professionalism. We wish them all the best for the future."

**David Esfandi, Chief Executive Officer of Canaccord Genuity Wealth Management, commented:**

"Brooks Macdonald International is a quality business and an excellent strategic fit for our international division. This is a mutually beneficial transaction that will cement Canaccord's position as a fully-fledged integrated wealth manager. Both firms are well-established across the Crown Dependencies, and BMI will also add significant financial planning expertise in our international business. Canaccord has a robust and scalable operating platform with a proven track record of successfully integrating businesses, and we anticipate a smooth process for BMI in 2025."

Brooks Macdonald is being advised by Raymond James Financial International Limited, and Travers Smith LLP as legal adviser, in relation to the sale of BMI.

**Enquiries:**

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**About Brooks Macdonald**

Brooks Macdonald Group plc, through its various subsidiaries, provides leading wealth management services in the UK and internationally. The Group, which was founded in 1991 and began trading on AIM in 2005, had discretionary FUM of £18.0 billion as of 30 June 2024.

Brooks Macdonald offers outsourced discretionary investment management for intermediaries and advice-led integrated wealth management for private clients. The Group also acts as fund manager to a range of onshore and international funds.

The Group has a strong local presence across the UK.

#### **About BMI**

BMI provides its services to international clients and intermediaries through its Crown Dependencies based investment management, financial planning, and fund management subsidiaries, Brooks Macdonald Asset Management (International) Limited and Brooks Macdonald International Fund Managers Limited. BMI has offices in Jersey, Guernsey and the Isle of Man with the majority of its 57 employees located in the Jersey office.

As of 30 June 2024, BMI had £2.3 billion of FUM with annual revenue of £19.9 million and £3.3 million of underlying profit before tax<sup>[1]</sup>. This is after accounting for £4.3 million of central cost recharges from Group functions which will not transfer as part of the Disposal. BMI had net assets of £29.8m as of 30 June 2024.

#### **Cautionary statements**

This Announcement may contain, and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives, and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company. As a result, the actual future financial condition, performance, and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made.

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No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future years would necessarily match or exceed the historical published earnings per share of the Company.

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1] BMI's underlying PBT represents a statutory loss before tax of £0.3m for the year ended 30 June 2024 at the consolidated Group level, excluding amortisation of client relationships, organisational restructure costs, and consolidation adjustments

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