

## Henderson Global Investors Strengthens North American Business with Acquisition of Geneva Capital Management

**Deal Value: Initial consideration of \$130 million; deferred consideration linked to revenue retention of up to \$45 million; and growth-related earn-out of up to \$25 million**

**Sandler O'Neill served as financial advisor to Henderson Global Investors in connection with this transaction. Overall, this represents Sandler O'Neill's 178<sup>th</sup> financial services transaction since January 1, 2011, more than any other investment bank during that time period.<sup>(1)</sup>**

Henderson Global Investors ("Henderson"), the investment management group of Henderson Group plc (LSE: HGG; ASX: HGG), has entered into an agreement to acquire the entire issued share capital of Geneva Capital Management ("Geneva"). Founded in 1987, Geneva has assets under management ("AUM") of \$6.3 billion in Mid- and Small-Cap U.S. growth equities as of May 31, 2014.

The transaction marks an important strategic milestone in the development of Henderson's North American business. Henderson's North American business continues to grow rapidly, doubling its AUM since 2011. The acquisition accelerates the delivery of Henderson's strategy to grow and globalize its business. Geneva's investment expertise in U.S. growth equities fills an important capability gap for Henderson. The acquisition will transform Henderson's North American presence, bringing proven institutional distribution capabilities to complement Henderson's successful retail franchise. Over time, the transaction creates opportunities to build new products with U.S. content (e.g. Global Small-Cap and U.S. All-Cap), launch new U.S. equity retail products, and market Henderson capabilities more actively to U.S. institutions.

"Developing our presence in North America is a strategic priority for Henderson. The acquisition of Geneva is a major step towards achieving our growth ambitions as a global asset manager. It will increase our assets under management in the U.S. by over 50%, add investment management expertise in U.S. equities, and extend our U.S. institutional client base," said Henderson Chief Executive Andrew Formica.

Amy Croen, Co-Founder and Managing Principal of Geneva, said: "The team at Geneva is excited to join Henderson. With the backing of a strong international partner who is very supportive of our existing investment strategy and platform, we look forward to taking our business to the next stage of its development. On behalf of our clients, we will continue to apply the same consistent investment approach and process that have generated strong risk-adjusted returns since our foundation in 1987."

The transaction includes an upfront consideration of \$130 million. An additional deferred consideration of up to \$45 million is payable over five years after closing if revenue retention targets are met. There is also an earn-out of up to \$25 million payable over five years after closing if Geneva achieves stretch targets in relation to revenue growth.

The consideration will be fully funded from Henderson's existing cash resources. This transaction is expected to generate single digit underlying EPS accretion in the first full year post close and returns greater than Henderson's cost of capital. The transaction is expected to close on October 1, 2014, subject to customary consents.

(1) Source: SNL Financial. Includes financial services transactions in all geographies since January 1, 2011; excludes terminated transactions or self-advisory roles

### Sandler O'Neill Contacts:

1251 Avenue of the Americas, 6<sup>th</sup> Floor  
New York, NY 10020

Aaron Dorr  
Managing Director  
(212) 466-7734

Jason Greco  
Vice President  
(212) 466-7967