
BROOKS CASE COMPETITION

TO: PJUDGE PANNEL
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SUBJECT: EXECUTIVE SUMMARY
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Executive Summary

Recommendation: Based off the ESG strategy, cultural fit, and financial analysis, it is our recommendation that Principal Financial Group should purchase Footprint Asset Management and not Quant Impact Partners. When comparing the two companies through the frameworks of ESG strategy, cultural fit, and financials, Footprint is the clear choice. We recommend offering \$409.95 million for the company and we plan to purchase it using the \$1.5 billion of available capital allocated for corporate purposes.

ESG Strategy: Principal Financial Group is focusing especially on sustainability. It provides sustainable products as mutual funds and ETFs, that are investing in environmental businesses, social and governance policies. They also prioritize on data security and privacy, making sure that the client's information is protected by using advanced security technologies. Transparency, accountability, and reporting are important elements of PFG's ESG strategy as well. They hold themselves in charge for their ESG performance by establishing specific goals and reporting on them frequently. Footprint Asset Management has the highest ESG score and would be the best fit for PFG's ESG approach, that is prioritizing sustainable products and businesses and a high ESG performance.

Cultural Fit: Principals priority of customer relations is consistent with Footprints distribution of AUM, as they have 51% of their assets within retail customers and small-medium businesses. Quant only has 12% in retail, which doesn't align with Principal as well.

Financials: Principal Financial announced they have 1.5 billion dollars of available capital and can pay all obligations at least 4 times. Given this data Principal has the full capability to purchase this company while only slightly reducing the extra capital. The acquisition of Footprint would have added approximately 40.32 million dollars in additional net income for Principal in the Fiscal year ended December 31, 2022.

Conclusion: Based off these factors, it is our recommendation that Principal Financial Group moves forward with the acquisition of Footprint.