



10 June 2024

M&G plc announces deleveraging actions of up to £450m

As part of the commitment to reduce its Solvency II leverage ratio to 30% or less by 2025, M&G is today announcing a series of deleveraging actions totalling up to £450m.

This includes the intention to redeem the £300m 3.875% resettable dated Tier 2 notes on 20 July 2024, which has received approval by the PRA. M&G intends to call this bond in full and not to refinance it.

M&G is also launching Tender Offers for four of its outstanding Tier 2 notes for an aggregate consideration of up to £150m. The Notes targeted by the Tender Offers are:

- The £750,000,000 5.625 per cent. Resettable Dated Tier 2 Notes due 2051;
- The £600,000,000 5.560 per cent. Resettable Dated Tier 2 Notes due 2055;
- The £700,000,000 6.340 per cent. Resettable Dated Tier 2 Notes due 2063, and
- The £500,000,000 6.250 per cent. Resettable Dated Tier 2 Notes due 2068.

At the end of March 2024, the Group Solvency II coverage ratio remained strong at 203% even after factoring in the £311 million 2023 final dividend announced at the 2023 FY Results.

We would expect the £216m restriction to Tier 2 and Tier 3 capital reported at the 2023 FY Results to become immaterial following the conclusion of these deleveraging actions, which would meaningfully improve the efficiency of M&G's balance sheet.

By addressing this capital restriction, we expect the Solvency II coverage ratio to be only moderately impacted. Based on a deleveraging of up to £450m, we estimate that the Q1 2024 pro-forma Group Solvency II coverage ratio would remain comfortably above the top end of the target operating range of 160%-190%.

Andrea Rossi, M&G Chief Executive Officer said:

“Today’s announcement demonstrates the strength of our commitment to investors, and our continued focus on delivering on our three strategic priorities: Financial Strength, Simplification, and Growth.

“Deleveraging and improving the efficiency of our balance sheet are key priorities for us, and these actions represent an important step towards the achievement of our target leverage ratio of 30% or less by 2025.



“I remain confident that M&G is well placed to continue delivering strong operational and financial outcomes to both our customers and shareholders.”

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Notes to Editors:

About M&G plc

M&G plc is an international savings and investments business, managing money for more than 4.6 individual customers and more than 900 institutional clients from 38 offices worldwide. As at 31 December 2023, we had £343.5 billion of assets under management and administration.

With a heritage dating back more than 170 years, M&G plc has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our retail and savings customers under the M&G Wealth and Prudential brands in the UK and Europe, and under the M&G Investments brand for asset management clients globally.