



Principal® to acquire ESOP business from Ascensus

May 16, 2024

DES MOINES, Iowa--(BUSINESS WIRE)-- Today, [Principal Financial Group®](#) announced a definitive agreement with Ascensus to acquire its employee stock ownership plan (ESOP) business. At closing, Principal® will add approximately 800 plans and more than 165,000 participants to its workplace savings and retirement solutions business that ranks as the No. 1 ESOP service provider in the U.S.¹

“Growth is an integral part of our retirement strategy at Principal, and we’re excited to add scale and deepen our expertise with the addition of experienced talent and solutions from Ascensus,” said Teresa Hassara, senior vice president of workplace savings and retirement solutions at Principal. “This acquisition strengthens the systems and capabilities that have made Principal a leader in retirement.”

Through this acquisition, Principal will gain full ownership of the ESOP recordkeeping business from Ascensus, along with its ESOP Economics consulting group and Telescope™ software. All products, clients, and employees will transition to Principal at the time of close, which is anticipated around the end of the second quarter of 2024. As Ascensus ESOP clients and participants are transitioned, they will be exposed to enhancements on the Principal recordkeeping platform such as digital access, support, and account management tools as well as audit process improvements to reduce time.

“After getting the opportunity to review Ascensus’ ESOP business more intimately, we found it to be very complementary to the expertise Principal has as a total retirement solutions provider,” said Andrew Matos, head of stock plan services for Retirement and Income Solutions at Principal. “The acquisition positions us to offer greater value, enhanced services, and stronger products to our ESOP clients, and the integration of strong talent from Ascensus will be essential to support the growth of our ESOP business.”

Commenting on the agreement, Ascensus president Nick Good said, “We have great respect for Principal, their expertise, and their commitment to serving their clients with excellence. We’re confident that the valued client relationships and associates transitioning through this transaction will benefit greatly from the leadership, capabilities, and continued investment Principal has in the ESOP marketplace.”

Interest in ESOPs has grown in recent years as owners look to transition their businesses or become more competitive with talent recruitment and retention. In total, there are approximately 6,500 ESOPs in the U.S. after the number of newly created ESOPs increased 39% from 2020 to 2021². As of December 31, 2023, Principal and Ascensus were collectively serving more than 2,000 employee stock ownership plans and approximately 765,000 participants.

Perella Weinberg Partners served as financial advisor to Principal, with Skadden, Arps, Slate, Meagher & Flom LLP acting as legal counsel. Terms of the transaction are not being disclosed.

About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with nearly 20,000 employees³ passionate about improving the wealth and well-being of people and businesses. In business for more than 140 years, we’re helping approximately 62 million customers⁴ plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of the 2024 World’s Most Ethical Companies® by Ethisphere⁵, a member of the Bloomberg Gender Equality Index, and a “Best Place to Work in Money Management⁶.” Learn more about Principal and our commitment to building a better future at [principal.com](#).

About Ascensus

Ascensus is a market-leading enabler of tax-advantaged savings—providing technology, services, and expertise that help millions of people save for a better future.

The company is a premier savings program service provider, third-party administrator, and government savings facilitator. Its platforms, industry knowledge, and data-based insights enhance the growth and success of its partners, their clients, and savers through co-branded, private-labeled, and governmental partnerships.

Ascensus offers comprehensive qualified and nonqualified retirement plan solutions, third-party retirement plan administration, 529 education and ABLE savings program administration, corporate- and bank-owned life insurance solutions, and fiduciary and total rewards services.

The company’s brands include Ascensus; Newport, an Ascensus company; and FuturePlan by Ascensus. Ascensus has more

than \$808 billion in assets under administration and employs more than 5,500 associates as of March 31, 2024.

For more information, visit ascensus.com and newportgroup.com.

Insurance products issued by Principal National Life Insurance Co (except in NY) and Principal Life Insurance Company[®]. Plan administrative services offered by Principal Life. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., member SIPC and/or independent broker/-dealers. Principal Global Investors leads global asset management. Referenced companies are members of the Principal Financial Group[®], Des Moines, Iowa 50392.

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¹ *Based upon number of plans, 2023 PlanSponsor Recordkeeping Survey, July 2023*

² *National Center for Employee Ownership, [Employee Ownership by the Numbers](#)*

³ As of March 31, 2024

⁴ As of March 31, 2024

⁵ Ethisphere, 2024

⁶ Pensions & Investments, 2023



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Source: Principal Financial Group