

Historical pro forma statements of income and AUM

19 July 2017

Janus Henderson Group plc (“Janus Henderson”) today provides its unaudited pro forma quarterly statements of income and assets under management (“AUM”) for the period 1 January 2016 to 31 March 2017 below. These historical unaudited pro forma statements of income and assets under management are provided to assist the investment community following the merger of Henderson Group plc and Janus Capital Group Inc. only, and actual statements of income and AUM for the six month period to 30 June 2017 will be provided on 8 August 2017.

The condensed statements of income are prepared in accordance with the Generally Accepted Accounting Principles in the United States as adopted by the US Securities and Exchange Commission (“US GAAP”). Non-US GAAP adjustments and Janus Henderson adjusted results are also provided.

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About Janus Henderson

Janus Henderson is a leading global active asset manager dedicated to helping investors achieve long-term financial goals through a broad range of investment solutions, including equities, quantitative equities, fixed income, multi-asset and alternative asset class strategies.

Janus Henderson has approximately US\$331 billion in assets under management (as at 31 March 2017), more than 2,000 employees and offices in 27 cities worldwide. Headquartered in London, the company is listed on the New York Stock Exchange (NYSE) and the Australian Securities Exchange (ASX).

July 19, 2017

On May 30, 2017, pursuant to an agreement and plan of merger previously announced on October 3, 2016, Janus Capital Group (“JCG”) and Henderson Group plc (“Henderson”) completed the merger. Upon closing the merger, Henderson became the parent holding company for the combined group and was renamed Janus Henderson Group plc (“JHG”) or (the “Group”).

The following unaudited pro forma condensed Statements of Income presents the pro forma GAAP basis results of JHG as if the merger had occurred on January 1, 2016. The results are presented for the quarterly periods in 2016 and the first quarter 2017. To provide greater transparency into JHG’s business on an ongoing operations basis, JHG also presents non-GAAP financial measures and reconciliations to GAAP basis results. Each non-GAAP adjustment includes a note reference and corresponds with the explanatory notes below the tables.

Assets and flows by investment capability are also presented on a pro forma basis.

The unaudited pro forma financial information has been prepared for illustrative purposes only, and is not necessarily indicative of the operating results that would have occurred if the merger had been consummated on January 1, 2016, nor is necessarily indicative of the results of operations that may be expected for any future period or date. The unaudited pro forma financial information does not include any adjustments related to potential profit improvements or potential cost savings.

Non-GAAP Financial Measures

JHG reports its financial results in accordance with U.S. GAAP. However, in the opinion of management, the profitability of the Group and its ongoing operations is best evaluated using additional non-GAAP financial measures. Management uses these performance measures to evaluate the business and adjusted values are consistent with internal management reporting.

Non-GAAP measures should not be considered as substitutes for any measure derived in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. Additional reconciling items may be added to these non-GAAP measures in the future.

Forward looking statements

This announcement contains forward-looking statements with respect to the financial condition, results and business of Janus Henderson Group plc. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that will occur in the future. Janus Henderson’s actual future results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement. Nothing in this announcement should be construed as, or is intended to be, a solicitation for or an offer to provide investment advisory services.

JANUS HENDERSON GROUP PLC
UNAUDITED
PRO FORMA CONDENSED STATEMENT OF INCOME
(US dollars in millions except per share data)

	Three months ended,				
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017
Operating revenues					
Management fees	\$ 428.6	\$ 440.8	\$ 444.4	\$ 432.2	\$ 427.6
Performance fees	12.4	5.6	(2.5)	2.7	1.0
Shareowner servicing fees	27.3	28.4	29.1	28.6	28.6
Other revenue	34.6	34.2	32.9	31.3	29.9
Total operating revenues	<u>502.9</u>	<u>509.0</u>	<u>503.9</u>	<u>494.8</u>	<u>487.1</u>
Operating expenses:					
Employee compensation and benefits	156.7	152.8	153.5	161.7	163.3
Long-term incentive compensation	40.6	49.2	30.3	46.3	34.5
Marketing and advertising	8.8	10.6	6.8	10.7	21.7
Distribution expenses	87.0	90.6	84.7	79.8	81.1
Depreciation and amortization	15.6	15.4	15.7	20.2	14.4
Investment administration	11.7	12.8	10.9	10.8	10.2
General, administrative and occupancy	55.2	54.2	58.6	69.3	56.0
Total operating expenses	<u>375.6</u>	<u>385.6</u>	<u>360.5</u>	<u>398.8</u>	<u>381.2</u>
Operating income	127.3	123.4	143.4	96.0	105.9
Interest expense	(7.9)	(5.0)	(4.3)	(4.2)	(4.8)
Investment gains(losses), net	8.5	(8.2)	(0.5)	(14.0)	0.5
Other non-operating income (expense), net	2.4	(2.0)	1.5	0.1	2.4
Income before taxes	<u>130.3</u>	<u>108.2</u>	<u>140.1</u>	<u>77.9</u>	<u>104.0</u>
Income tax provision	(37.7)	(26.7)	(33.8)	(25.4)	(28.2)
Net income	<u>92.6</u>	<u>81.5</u>	<u>106.3</u>	<u>52.5</u>	<u>75.8</u>
Net income attributable to noncontrolling interests	(5.0)	4.9	(2.1)	8.7	(1.4)
Net income attributable to JHG	<u>\$ 87.6</u>	<u>\$ 86.4</u>	<u>\$ 104.2</u>	<u>\$ 61.2</u>	<u>\$ 74.4</u>
Earnings per share - Diluted	\$ 0.42	\$ 0.41	\$ 0.50	\$ 0.30	\$ 0.36

JANUS HENDERSON GROUP PLC
UNAUDITED
NON-GAAP FINANCIAL MEASURES
(US dollars in millions except per share data)

	Three months ended				
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017
Reconciliation of operating revenues to adjusted operating revenues					
Operating revenues, GAAP basis	\$ 502.9	\$ 509.0	\$ 503.9	\$ 494.8	\$ 487.1
Distribution expenses ⁽¹⁾	(87.0)	(90.6)	(84.7)	(79.8)	(81.1)
Adjusted operating revenues	<u>\$ 415.9</u>	<u>\$ 418.4</u>	<u>\$ 419.2</u>	<u>\$ 415.0</u>	<u>\$ 406.0</u>
Reconciliation of operating income to adjusted operating income					
Operating income, GAAP basis	\$ 127.3	\$ 123.4	\$ 143.4	\$ 96.0	\$ 105.9
Employee compensation and benefits ⁽³⁾	1.0	1.6	0.8	10.1	3.6
Marketing and advertising ⁽³⁾	-	-	-	0.9	14.5
Depreciation and amortization ⁽²⁾	7.8	7.8	7.8	12.6	7.6
General, administration and occupancy ⁽³⁾	3.7	0.9	7.9	15.3	12.0
Adjusted operating income	<u>\$ 139.8</u>	<u>\$ 133.7</u>	<u>\$ 159.9</u>	<u>\$ 134.9</u>	<u>\$ 143.6</u>
Operating margin	25.3%	24.2%	28.5%	19.4%	21.7%
Adjusted operating margin	33.6%	32.0%	38.1%	32.5%	35.4%
Reconciliation of net income attributable to JHG to adjusted net income attributable to JHG					
Net income attributable to JHG, GAAP basis	\$ 87.6	\$ 86.4	\$ 104.2	\$ 61.2	\$ 74.4
Employee compensation and benefits ⁽³⁾	1.0	1.6	0.8	10.1	3.6
Marketing and advertising ⁽³⁾	-	-	-	0.9	14.5
Depreciation and amortization ⁽²⁾	7.8	7.8	7.8	12.6	7.6
General, administration and occupancy ⁽³⁾	3.7	0.9	7.9	15.3	12.0
Other non-operating income, net ⁽⁴⁾	0.5	4.2	0.5	0.6	0.9
Income tax provision ⁽⁵⁾	(3.0)	(2.0)	(1.0)	(14.2)	(10.7)
Adjusted net income attributable to JHG	<u>\$ 97.6</u>	<u>\$ 98.9</u>	<u>\$ 120.2</u>	<u>\$ 86.5</u>	<u>\$ 102.3</u>
Diluted earnings per share	\$ 0.42	\$ 0.41	\$ 0.50	\$ 0.30	\$ 0.36
Adjusted diluted earnings per share	\$ 0.47	\$ 0.47	\$ 0.57	\$ 0.42	\$ 0.50

(1) Distribution expenses are paid to financial intermediaries for the distribution of JHG's investment products. Management believes that the deduction of third-party distribution, service and advisory expenses from operating revenues in the computation of net revenues reflects the nature of these expenses as revenue-sharing activities, as these costs are passed through to external parties who perform functions on behalf of, and distribute, JHG's managed AUM.

(2) Investment management contracts have been identified as a separately identifiable intangible asset arising on the acquisition of subsidiaries and businesses. Such contracts are recognized at the net present value of the expected future cash flows arising from the contracts at the date of acquisition. For segregated mandate contracts, the intangible asset is amortized on a straight line basis over the expected life of the contracts. Management believes these non-cash and acquisition related costs do not represent the ongoing operations of the JHG.

(3) For the three months ended March 31, 2016 and June 30, 2016, adjustments represent void property costs and deferred consideration costs associated with acquisitions prior to the merger. For the three months ended September 30, 2016, December 31, 2016 and March 31, 2017, adjustments primarily represent transaction-related costs due to the merger. Management believes these costs do not represent the ongoing operations of JHG.

(4) Adjustment represents void property costs and deferred consideration costs associated with acquisitions prior to the Merger.

(5) The tax impact of the non-GAAP adjustments are calculated based on the U.S. or foreign statutory tax rates as they relate to each non-GAAP adjustment. Certain non-GAAP adjustments are either not taxable or not tax deductible.

JANUS HENDERSON GROUP PLC⁽¹⁾
UNAUDITED
ASSETS AND FLOWS BY INVESTMENT CAPABILITY
(US dollars in billions)

	Equity	Quantitative Equity (2)	Fixed Income	Multi Asset	Alternative	Total (4)
AUM31-Dec 2015	\$ 158.5	\$ 47.5	\$ 72.8	\$ 26.4	\$ 19.6	\$ 324.8
Sales	7.4	2.1	5.6	1.3	2.9	19.3
Redemptions	(9.6)	(1.5)	(6.2)	(1.2)	(2.1)	(20.5)
Net Sales (Redemptions)	(2.1)	0.7	(0.6)	0.1	0.7	(1.2)
Market/Fund Performance (3)	(4.0)	0.5	1.7	(0.3)	(0.1)	(2.2)
AUM31-Mar 2016	\$ 152.3	\$ 48.6	\$ 74.0	\$ 26.2	\$ 20.3	\$ 321.4
Sales	8.0	1.3	6.6	1.0	2.2	19.0
Redemptions	(9.5)	(2.0)	(5.2)	(1.4)	(2.7)	(20.8)
Net Sales (Redemptions)	(1.5)	(0.7)	1.3	(0.4)	(0.6)	(1.9)
Market/Fund Performance (3)	(0.8)	1.0	(0.5)	(0.1)	(1.0)	(1.4)
AUM30-Jun 2016	\$ 150.0	\$ 48.9	\$ 74.8	\$ 25.7	\$ 18.7	\$ 318.1
Sales	8.5	0.6	5.2	0.7	1.3	16.3
Redemptions	(9.6)	(2.4)	(4.7)	(1.4)	(1.4)	(19.6)
Net Sales (Redemptions)	(1.1)	(1.8)	0.4	(0.8)	(0.1)	(3.3)
Market/Fund Performance (3)	8.3	0.9	1.8	0.7	(0.1)	11.6
AUM30-Sep 2016	\$ 157.2	\$ 48.1	\$ 77.0	\$ 25.6	\$ 18.5	\$ 326.3
Sales	10.8	1.1	7.6	1.1	1.5	22.1
Redemptions	(10.7)	(2.6)	(7.2)	(1.5)	(2.1)	(24.1)
Net Sales (Redemptions)	0.1	(1.6)	0.4	(0.5)	(0.6)	(2.1)
Market/Fund Performance (3)	(0.7)	0.1	(3.8)	0.3	(0.7)	(4.9)
AUM31-Dec 2016	\$ 156.6	\$ 46.6	\$ 73.6	\$ 25.4	\$ 17.1	\$ 319.3
Sales	9.4	1.5	6.3	1.3	1.3	19.9
Redemptions	(11.9)	(5.2)	(6.0)	(1.8)	(2.0)	(26.9)
Net Sales (Redemptions)	(2.5)	(3.7)	0.3	(0.5)	(0.7)	(7.0)
Market/Fund Performance (3)	11.6	3.2	2.2	1.1	0.4	18.5
AUM31-Mar 2017	\$ 165.6	\$ 46.2	\$ 76.1	\$ 26.0	\$ 16.9	\$ 330.8

Notes:

- (1) Historical AUM and Flows reflect the PRELIMINARY analysis of Janus Capital Group Inc. and Henderson Group plc individual results, reflecting historical methodologies used by each respective firm, and are subject to change. Numbers may not cast due to rounding.
- (2) First quarter 2017 gross sales and redemptions exclude an intra-strategy transfer of US\$1.6 billion from a Danish krone-denominated account into a US dollar-denominated account.
- (3) Market/Fund Performance includes gains/(losses) from changes in foreign exchange rates. Going forward, Janus Henderson Group plc will break out Market/Fund Performance and FX separately.
- (4) Excludes ETN assets, for which JHG is not the named advisor or subadvisor and therefore does not earn a management fee on these assets.