

Third Quarter 2020 Results

29 October 2020

Janus Henderson Group plc (“Janus Henderson”) today published its third quarter results for the three month period ended 30 September 2020.

A copy of the Group’s Third Quarter Results Announcement is included below.

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Authorised by:

Michelle Rosenberg, Company Secretary

Investor enquiries

Melanie Horton	+44 (0) 20 7818 2905
Non-US Investor Relations Manager	melanie.horton@janushenderson.com

Jim Kurtz	+1 (303) 336 4529
US Investor Relations Manager	jim.kurtz@janushenderson.com

Investor Relations	investor.relations@janushenderson.com
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About Janus Henderson

Janus Henderson Group 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, fixed income, quantitative equities, multi-asset and alternative asset class strategies.

At 30 September 2020, Janus Henderson had approximately US\$358 billion in assets under management, 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).

**Janus Henderson Group plc Reports Third Quarter 2020 Diluted EPS of US\$0.65,
or US\$0.70 on an Adjusted Basis**

- Solid long-term investment performance, with 61% and 73% of assets under management ('AUM') outperforming relevant benchmarks on a three- and five-year basis, respectively, as at 30 September 2020
- AUM increased 6% to US\$358.3 billion compared to the prior quarter, reflecting positive markets partially offset by net outflows of US\$(2.9) billion
- Completed US\$50 million of share buybacks during the third quarter
- Board declared quarterly dividend of US\$0.36 per share

LONDON — 29 October 2020 — Janus Henderson Group plc (NYSE/ASX: JHG; 'JHG', 'the Group') published its third quarter 2020 results for the period ended 30 September 2020.

Third quarter 2020 operating income was US\$156.5 million compared to US\$106.7 million in the second quarter 2020 and US\$143.6 million in the third quarter 2019. Adjusted operating income, adjusted for one-time, acquisition and transaction related costs, was US\$162.1 million in the third quarter 2020 compared to US\$138.4 million in the second quarter 2020 and US\$160.2 million in the third quarter 2019.

Third quarter 2020 diluted earnings per share was US\$0.65 compared to US\$0.55 in the second quarter 2020 and US\$0.58 in the third quarter 2019. Adjusted diluted earnings per share of US\$0.70 in the third quarter 2020 increased 4% compared to US\$0.67 in the second quarter 2020 and increased 9% versus US\$0.64 in the third quarter 2019.

Dick Weil, Chief Executive Officer of Janus Henderson Group plc, stated:

"Our third quarter results reflect solid long-term investment performance, improved flows, strong financials and a continuation of returning excess cash to shareholders.

"Importantly, we are making excellent progress toward our goal of building a strong and resilient foundation to support profitable growth. We are encouraged by the flow momentum we are seeing in several areas of the business, the unified culture of the firm, the ongoing efforts to simplify the way we operate our business and the support of new growth initiatives.

"It is clear that we are on the right path to success, and I am proud of the progress we have made as an organization toward achieving organic growth, driving greater profitability and building a business for the long term."

SUMMARY OF FINANCIAL RESULTS (unaudited) (in US\$ millions, except per share data or as noted)

The Group presents its financial results in US\$ and in accordance with accounting principles generally accepted in the United States of America ('US GAAP' or 'GAAP'). However, JHG management evaluates the profitability of the Group and its ongoing operations using additional non-GAAP financial measures. Management uses these performance measures to evaluate the business, and adjusted values are consistent with internal management reporting. See 'Reconciliation of non-GAAP financial information' below for additional information.

	Three months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
GAAP basis:			
Revenue	568.5	518.0	536.0
Operating expenses	412.0	411.3	392.4
Operating income	156.5	106.7	143.6
Operating margin	27.5 %	20.6 %	26.8 %
Net income attributable to JHG	118.9	102.9	112.1
Diluted earnings per share	0.65	0.55	0.58
Adjusted basis:			
Revenue	449.7	413.3	433.2
Operating expenses	287.6	274.9	273.0
Operating income	162.1	138.4	160.2
Operating margin	36.0 %	33.5 %	37.0 %
Net income attributable to JHG	129.6	126.6	124.7
Diluted earnings per share	0.70	0.67	0.64

Third quarter 2020 adjusted revenue of US\$449.7 million increased from the second quarter 2020 result of US\$413.3 million due to higher average AUM, partially offset by lower performance fees. Third quarter 2020 adjusted net income attributable to JHG of US\$129.6 million increased 2% from US\$126.6 million in the second quarter 2020, as higher revenue was offset by an increase in operating expenses and lower net investment gains compared to the second quarter 2020.

DIVIDEND AND SHARE BUYBACK

On 28 October 2020, the Board declared a third quarter dividend in respect of the three months ended 30 September 2020 of US\$0.36 per share. Shareholders on the register on the record date of 9 November 2020 will be paid the dividend on 23 November 2020. Janus Henderson does not offer a dividend reinvestment plan.

As part of the US\$200 million on-market buyback programme approved by the Board in February 2020, JHG purchased approximately 2.4 million of its ordinary shares on the NYSE and its CHESS Depositary Interests (CDIs) on the ASX in the third quarter, for a total outlay of US\$50.2 million.

Net tangible assets per share

US\$	30 Sep 2020	31 Dec 2019
Net tangible assets / (liabilities) per ordinary share	2.94	1.68

Net tangible assets are defined by the ASX as being total assets less intangible assets less total liabilities ranking ahead of, or equally with, claims of ordinary shares.

AUM AND FLOWS (in US\$ billions)

FX reflects movement in AUM resulting from changes in foreign currency rates as non-US\$ denominated AUM is translated into US\$. Redemptions include impact of client switches.

Total Group comparative AUM and flows

	Three months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
Opening AUM	336.7	294.4	359.8
Sales	15.8	17.9	15.3
Redemptions	(18.7)	(26.1)	(18.8)
Net sales / (redemptions)	(2.9)	(8.2)	(3.5)
Market / FX	24.5	50.5	(0.2)
Closing AUM	358.3	336.7	356.1

Quarterly AUM and flows by capability

	Equities	Fixed Income	Quantitative Equities	Multi-Asset	Alternatives	Total
AUM 30 Sep 2019	188.2	75.0	45.6	36.3	11.0	356.1
Sales	9.4	5.6	0.3	2.7	0.7	18.7
Redemptions	(10.7)	(8.4)	(3.6)	(1.3)	(1.4)	(25.4)
Net sales / (redemptions)	(1.3)	(2.8)	(3.3)	1.4	(0.7)	(6.7)
Market / FX	17.1	2.6	2.9	2.1	0.7	25.4
AUM 31 Dec 2019	204.0	74.8	45.2	39.8	11.0	374.8
Sales	8.8	8.0	0.4	3.5	0.7	21.4
Redemptions	(15.7)	(11.4)	(2.4)	(2.5)	(1.6)	(33.6)
Net sales / (redemptions)	(6.9)	(3.4)	(2.0)	1.0	(0.9)	(12.2)
Market / FX	(43.2)	(6.1)	(8.6)	(5.3)	(0.8)	(64.0)
Acquisitions / (disposals)	(4.0)	—	—	(0.2)	—	(4.2)
AUM 31 Mar 2020	149.9	65.3	34.6	35.3	9.3	294.4
Sales	7.9	6.3	0.4	2.5	0.8	17.9
Redemptions	(12.1)	(7.0)	(4.3)	(1.8)	(0.9)	(26.1)
Net sales / (redemptions)	(4.2)	(0.7)	(3.9)	0.7	(0.1)	(8.2)
Market / FX	33.5	5.6	6.8	4.3	0.3	50.5
Reclassification ¹	(0.1)	—	—	—	0.1	—
AUM 30 Jun 2020	179.1	70.2	37.5	40.3	9.6	336.7
Sales	5.8	5.9	1.3	2.3	0.5	15.8
Redemptions	(10.9)	(4.1)	(1.4)	(1.7)	(0.6)	(18.7)
Net sales / (redemptions)	(5.1)	1.8	(0.1)	0.6	(0.1)	(2.9)
Market / FX	14.9	3.1	3.3	2.7	0.5	24.5
AUM 30 Sep 2020	188.9	75.1	40.7	43.6	10.0	358.3

¹ Reflects reclassification of an existing fund from Equities to Alternatives.

Average AUM

	Three months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
Equities	188.5	168.7	189.5
Fixed Income	74.8	68.7	74.4
Quantitative Equities	40.0	38.0	47.0
Multi-Asset	42.7	38.3	35.8
Alternatives	10.0	9.3	11.5
Total	356.0	323.0	358.2

INVESTMENT PERFORMANCE

% of AUM outperforming benchmark (at 30 September 2020)

Capability	1 year	3 years	5 years
Equities	38 %	53 %	71 %
Fixed Income	88 %	92 %	97 %
Quantitative Equities	64 %	8 %	8 %
Multi-Asset	93 %	93 %	95 %
Alternatives	97 %	97 %	100 %
Total	58 %	61 %	73 %

Outperformance is measured based on composite performance gross of fees vs primary benchmark, except where a strategy has no benchmark index or corresponding composite in which case the most relevant metric is used: (1) composite gross of fees vs zero for absolute return strategies, (2) fund net of fees vs primary index or (3) fund net of fees vs Morningstar peer group average or median. Non-discretionary and separately managed account assets are included with a corresponding composite where applicable.

Cash management vehicles, ETFs, Managed CDOs, Private Equity funds and custom non-discretionary accounts with no corresponding composite are excluded from the analysis. Excluded assets represent 5% of AUM as at 30 September 2020. Capabilities defined by Janus Henderson.

% of mutual fund AUM in top 2 Morningstar quartiles (at 30 September 2020)

Capability	1 year	3 years	5 years
Equities	60 %	68 %	76 %
Fixed Income	76 %	78 %	72 %
Quantitative Equities	4 %	30 %	4 %
Multi-Asset	91 %	92 %	92 %
Alternatives	100 %	100 %	100 %
Total	68 %	74 %	78 %

Includes Janus Investment Fund, Janus Aspen Series and Clayton Street Trust (US Trusts), Janus Henderson Capital Funds (Dublin based), Dublin and UK OEIC and Investment Trusts, Luxembourg SICAVs and Australian Managed Investment Schemes. The top two Morningstar quartiles represent funds in the top half of their category based on total return. On an asset-weighted basis, 82%, 82%, 86%, 86% and 88% of total mutual fund AUM were in the top 2 Morningstar quartiles for the 10-year periods ended 30 September 2019, 31 December 2019, 31 March 2020, 30 June 2020 and 30 September 2020, respectively. For the 1-, 3-, 5- and 10-year periods ending 30 September 2020, 58%, 62%, 58% and 69% of the 201, 193, 184 and 147 total mutual funds, respectively, were in the top 2 Morningstar quartiles.

Analysis based on 'primary' share class (Class I Shares, Institutional Shares or share class with longest history for US Trusts; Class A Shares or share class with longest history for Dublin based; primary share class as defined by Morningstar for other funds). Performance may vary by share class. Rankings may be based, in part, on the performance of a predecessor fund or share class and are calculated by Morningstar using a methodology that differs from that used by Janus Henderson. Methodology differences may have a material effect on the return and therefore the ranking. When an expense waiver is in effect, it may have a material effect on the total return, and therefore the ranking for the period.

ETFs and funds not ranked by Morningstar are excluded from the analysis. Capabilities defined by Janus Henderson. © 2020 Morningstar, Inc. All Rights Reserved.

FOURTH QUARTER AND FULL-YEAR 2020 RESULTS

Janus Henderson intends to publish its fourth quarter and full-year 2020 results on 4 February 2021.

THIRD QUARTER 2020 RESULTS BRIEFING INFORMATION

Chief Executive Officer Dick Weil and Chief Financial Officer Roger Thompson will present these results on 29 October 2020 on a conference call and webcast to be held at 8am EDT, 12pm GMT, 11pm AEDT.

Those wishing to participate should call:

United Kingdom	0800 358 6377 (toll free)
US & Canada	800 239 9838 (toll free)
Australia	1 800 573 793 (toll free)
All other countries	+1 323 794 2551 (this is not a toll free number)
<i>Conference ID</i>	<i>7246170</i>

Access to the webcast and accompanying slides will be available via the investor relations section of Janus Henderson's website (ir.janushenderson.com).

About Janus Henderson

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Investor enquiries:

Jim Kurtz
US Investor Relations Manager
+1 303 336 4529
jim.kurtz@janushenderson.com

Melanie Horton
Non-US Investor Relations Manager
+44 (0) 20 7818 2905
melanie.horton@janushenderson.com

Or

Investor Relations
investor.relations@janushenderson.com

Media enquiries:

Stephen Sobey
Head of Media Relations
+44 (0) 20 7818 2523
stephen.sobey@janushenderson.com

United Kingdom: FTI Consulting
Tom Blackwell
+44 (0) 20 3727 1051
tom.blackwell@FTIConsulting.com

Asia Pacific: Honner
Craig Morris
+61 2 8248 3757
craig@honner.com.au

FINANCIAL DISCLOSURES

Condensed consolidated statements of comprehensive income (unaudited)

(in US\$ millions, except per share data or as noted)	Three months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
Revenue:			
Management fees	457.7	407.7	446.2
Performance fees	7.0	17.2	1.4
Shareowner servicing fees	53.7	47.3	39.3
Other revenue	50.1	45.8	49.1
Total revenue	568.5	518.0	536.0
Operating expenses:			
Employee compensation and benefits	154.9	145.8	147.9
Long-term incentive plans	42.7	49.1	42.2
Distribution expenses	118.8	104.7	102.8
Investment administration	13.1	12.6	11.2
Marketing	5.3	3.7	5.5
General, administrative and occupancy	65.6	58.0	67.6
Impairment of goodwill and intangible assets	—	26.4	—
Depreciation and amortisation	11.6	11.0	15.2
Total operating expenses	412.0	411.3	392.4
Operating income	156.5	106.7	143.6
Interest expense	(3.2)	(3.2)	(3.5)
Investment gains, net	25.5	50.3	4.0
Other non-operating income (expense), net	(0.9)	8.6	4.7
Income before taxes	177.9	162.4	148.8
Income tax provision	(40.8)	(30.1)	(35.7)
Net income	137.1	132.3	113.1
Net income attributable to noncontrolling interests	(18.2)	(29.4)	(1.0)
Net income attributable to JHG	118.9	102.9	112.1
Less: allocation of earnings to participating stock-based awards	(3.5)	(3.0)	(3.1)
Net income attributable to JHG common shareholders	115.4	99.9	109.0
Basic weighted-average shares outstanding (<i>in millions</i>)	178.4	181.8	187.9
Diluted weighted-average shares outstanding (<i>in millions</i>)	178.8	182.1	188.3
Diluted earnings per share (<i>in US\$</i>)	0.65	0.55	0.58

Reconciliation of non-GAAP financial information

In addition to financial results reported in accordance with GAAP, we compute certain financial measures using non-GAAP components, as defined by the SEC. These measures are not in accordance with, or a substitute for, GAAP, and our financial measures may be different from non-GAAP financial measures used by other companies. We have provided a reconciliation of our non-GAAP components to the most directly comparable GAAP components. The following are reconciliations of US GAAP revenue, operating expenses, operating income, net income attributable to JHG and diluted earnings per share to adjusted revenue, adjusted operating expenses, adjusted operating income, adjusted net income attributable to JHG and adjusted diluted earnings per share.

(in US\$ millions, except per share data or as noted)	Three months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
Reconciliation of revenue to adjusted revenue			
Revenue	568.5	518.0	536.0
Management fees ¹	(47.9)	(40.2)	(45.6)
Shareowner servicing fees ¹	(42.8)	(39.0)	(30.4)
Other revenue ¹	(28.1)	(25.5)	(26.8)
Adjusted revenue	449.7	413.3	433.2
Reconciliation of operating expenses to adjusted operating expenses			
Operating expenses	412.0	411.3	392.4
Employee compensation and benefits ²	(0.3)	(0.5)	(5.4)
Long-term incentive plans ²	0.1	0.2	0.2
Distribution expenses ¹	(118.8)	(104.7)	(102.8)
General, administration and occupancy ²	(3.5)	(2.8)	(4.1)
Impairment of goodwill and intangible assets ³	—	(26.4)	—
Depreciation and amortisation ³	(1.9)	(2.2)	(7.3)
Adjusted operating expenses	287.6	274.9	273.0
Adjusted operating income	162.1	138.4	160.2
Operating margin	27.5 %	20.6 %	26.8 %
Adjusted operating margin	36.0 %	33.5 %	37.0 %
Reconciliation of net income attributable to JHG to adjusted net income attributable to JHG			
Net income attributable to JHG	118.9	102.9	112.1
Employee compensation and benefits ²	0.3	0.5	5.4
Long-term incentive plans ²	(0.1)	(0.2)	(0.2)
General, administration and occupancy ²	3.5	2.8	4.1
Impairment of goodwill and intangible assets ³	—	26.4	—
Depreciation and amortisation ³	1.9	2.2	7.3
Interest expense ⁴	—	—	0.4
Investment gains (losses), net	—	—	(1.0)
Other non-operating income (expense), net ⁴	(0.5)	(0.6)	(0.2)
Income tax benefit (provision) ⁵	5.6	(7.4)	(3.2)
Adjusted net income attributable to JHG	129.6	126.6	124.7
Less: allocation of earnings to participating stock-based awards	(3.8)	(3.7)	(3.4)
Adjusted net income attributable to JHG common shareholders	125.8	122.9	121.3
Weighted-average diluted common shares outstanding – diluted (two class) (in millions)	178.8	182.1	188.3
Diluted earnings per share (two class) (in US\$)	0.65	0.55	0.58
Adjusted diluted earnings per share (two class) (in US\$)	0.70	0.67	0.64

¹ JHG contracts with third-party intermediaries to distribute and service certain of its investment products. Fees for distribution and servicing related activities are either provided for separately in an investment product's prospectus or are part of the management fee. Under both arrangements, the fees are collected by JHG and passed through to third-party intermediaries who are responsible for performing the applicable services. The majority of distribution and servicing fees collected by JHG are passed through to third-party intermediaries. JHG management believes that the deduction of distribution and service fees from revenue in the computation of adjusted revenue reflects the

pass-through nature of these revenues. In certain arrangements, JHG performs the distribution and servicing activities and retains the applicable fees. Revenues for distribution and servicing activities performed by JHG are not deducted from GAAP revenue.

- ² Adjustments primarily represent integration costs in relation to the Merger, including severance costs, legal costs and consulting fees. JHG management believes these costs are not representative of the ongoing operations of the Group.
- ³ Investment management contracts have been identified as a separately identifiable intangible asset arising on the acquisition of subsidiaries and businesses. Such contracts are recognised 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 amortised on a straight-line basis over the expected life of the contracts. Adjustments also include impairment charges of our goodwill and certain mutual fund investment management agreements and client relationships. JHG management believes these non-cash and acquisition-related costs are not representative of the ongoing operations of the Group.
- ⁴ Adjustments primarily relate to contingent consideration adjustments associated with prior acquisitions and increased debt expense as a consequence of the fair value uplift on debt due to acquisition accounting. JHG management believes these costs are not representative of the ongoing operations of the Group.
- ⁵ The tax impact of the adjustments is calculated based on the applicable US or foreign statutory tax rate as it relates to each adjustment. Certain adjustments are either not taxable or not tax-deductible.

Condensed consolidated balance sheets (unaudited)

(in US\$ millions)	30 Sep 2020	31 Dec 2019
Assets:		
Cash and cash equivalents	909.0	733.9
Investment securities	290.8	253.5
Property, equipment and software, net	81.4	84.7
Intangible assets and goodwill, net	3,999.4	4,592.9
Assets of consolidated variable interest entities	197.2	1,010.9
Other assets	949.3	945.8
Total assets	6,427.1	7,621.7
Liabilities, redeemable noncontrolling interests and equity:		
Long-term debt	314.0	316.2
Deferred tax liabilities, net	613.3	729.1
Liabilities of consolidated variable interest entities	10.3	57.1
Other liabilities	870.2	935.2
Redeemable noncontrolling interests	86.2	677.9
Total equity	4,533.1	4,906.2
Total liabilities, redeemable noncontrolling interests and equity	6,427.1	7,621.7

Condensed consolidated statements of cash flows (unaudited)

(in US\$ millions)	Three months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
Cash provided by (used for):			
Operating activities	183.0	204.6	173.2
Investing activities	135.0	(166.8)	(36.1)
Financing activities	(291.2)	37.4	(107.5)
Effect of exchange rate changes	19.3	3.0	13.1
Net change during period	46.1	78.2	42.7

STATUTORY DISCLOSURES

Associates and joint ventures

At 30 September 2020, the Group holds interests in the following associates and joint ventures managed through shareholder agreements with third party investors, accounted for under the equity method:

- LongTail Alpha LLC. Ownership 20%

Basis of preparation

In the opinion of management of Janus Henderson Group plc, the condensed consolidated financial statements contain all normal recurring adjustments necessary to fairly present the financial position, results of operations and cash flows of JHG in accordance with US GAAP. Such financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The financial statements should be read in conjunction with the annual consolidated financial statements and notes presented in Janus Henderson Group's Annual Report on Form 10-K for the year ended 31 December 2019, on file with the SEC (Commission file no. 001-38103). Events subsequent to the balance sheet date have been evaluated for inclusion in the financial statements through the issuance date and are included in the notes to the condensed consolidated financial statements.

Corporate governance principles and recommendations

In the opinion of the Directors, the financial records of the Group have been properly maintained, and the Condensed Consolidated Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group. This opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

FORWARD-LOOKING STATEMENTS DISCLAIMER

Past performance is no guarantee of future results. Investing involves risk, including the possible loss of principal and fluctuation of value.

This document includes statements concerning potential future events involving Janus Henderson Group plc that could differ materially from the events that actually occur. The differences could be caused by a number of factors including those factors identified in Janus Henderson Group's Annual Report on Form 10-K for the fiscal year ended 31 December 2019 and in other filings or furnishings made by the Company with the Securities and Exchange Commission from time to time (Commission file no. 001-38103), including those that appear under headings such as 'Risk Factors' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations'. Many of these factors are beyond the control of JHG and its management. Any forward-looking statements contained in this document are as at the date on which such statements were made. Janus Henderson Group undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except as required by law.

Annualised, pro forma, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

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