

## **First Quarter 2021 Results – SEC 10-Q**

29 April 2021

Janus Henderson Group plc (ASX:JHG; 'Janus Henderson') today published its first quarter results for the period ended 31 March 2021.

A copy of the Group's full financial results in the form of a "10-Q", as prescribed by the Securities and Exchange Commission ("SEC"), is included below.

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**Authorised by:**

Michelle Rosenberg, Company Secretary

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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 31 March 2021, Janus Henderson had approximately US\$405 billion in assets under management, more than 2,000 employees, and offices in 26 cities worldwide. Headquartered in London, the company is listed on the New York Stock Exchange (NYSE) and the Australian Securities Exchange (ASX).

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

for the transition period from                      to

Commission File Number 001-38103



**JANUS HENDERSON GROUP PLC**

(Exact name of registrant as specified in its charter)

**Jersey, Channel Islands**  
(State or other jurisdiction of  
incorporation or organization)  
**201 Bishopsgate**  
London, United Kingdom  
(Address of principal executive offices)

**98-1376360**  
(I.R.S. Employer  
Identification No.)  
**EC2M3AE**  
(Zip Code)

**+44 (0) 20 7818 1818**

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|------------------------------------------|-------------------|-------------------------------------------|
| Common Stock, \$1.50 Per Share Par Value | JHG               | New York Stock Exchange                   |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 26, 2021, there were 172,349,989 shares of the Company's common stock, \$1.50 par value per share, issued and outstanding.

**PART I — FINANCIAL INFORMATION**  
**Item 1. Financial Statements**

**JANUS HENDERSON GROUP PLC**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
**(U.S. Dollars in Millions, Except Share Data)**

|                                                                                                                                                                                        | March 31,<br>2021 | December 31,<br>2020 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                                                          |                   |                      |
| <b>Current assets:</b>                                                                                                                                                                 |                   |                      |
| Cash and cash equivalents                                                                                                                                                              | \$ 826.1          | \$ 1,099.7           |
| Investment securities                                                                                                                                                                  | 255.5             | 268.1                |
| Fees and other receivables                                                                                                                                                             | 366.5             | 373.6                |
| OEIC and unit trust receivables                                                                                                                                                        | 237.0             | 114.7                |
| Assets of consolidated VIEs:                                                                                                                                                           |                   |                      |
| Cash and cash equivalents                                                                                                                                                              | 10.5              | 8.4                  |
| Investment securities                                                                                                                                                                  | 187.4             | 214.6                |
| Other current assets                                                                                                                                                                   | 4.1               | 3.5                  |
| Other current assets                                                                                                                                                                   | 111.8             | 111.1                |
| Total current assets                                                                                                                                                                   | 1,998.9           | 2,193.7              |
| <b>Non-current assets:</b>                                                                                                                                                             |                   |                      |
| Property, equipment and software, net                                                                                                                                                  | 74.0              | 77.9                 |
| Intangible assets, net                                                                                                                                                                 | 2,681.9           | 2,686.3              |
| Goodwill                                                                                                                                                                               | 1,389.8           | 1,383.9              |
| Retirement benefit asset, net                                                                                                                                                          | 193.2             | 191.3                |
| Other non-current assets                                                                                                                                                               | 156.9             | 157.7                |
| Total assets                                                                                                                                                                           | <u>\$ 6,494.7</u> | <u>\$ 6,690.8</u>    |
| <b>LIABILITIES</b>                                                                                                                                                                     |                   |                      |
| <b>Current liabilities:</b>                                                                                                                                                            |                   |                      |
| Accounts payable and accrued liabilities                                                                                                                                               | \$ 261.7          | \$ 232.1             |
| Current portion of accrued compensation, benefits and staff costs                                                                                                                      | 223.5             | 371.0                |
| OEIC and unit trust payables                                                                                                                                                           | 243.5             | 121.5                |
| Liabilities of consolidated VIEs:                                                                                                                                                      |                   |                      |
| Accounts payable and accrued liabilities                                                                                                                                               | 5.5               | 3.2                  |
| Total current liabilities                                                                                                                                                              | 734.2             | 727.8                |
| <b>Non-current liabilities:</b>                                                                                                                                                        |                   |                      |
| Accrued compensation, benefits and staff costs                                                                                                                                         | 22.2              | 53.7                 |
| Long-term debt                                                                                                                                                                         | 312.6             | 313.3                |
| Deferred tax liabilities, net                                                                                                                                                          | 627.2             | 627.4                |
| Retirement benefit obligations, net                                                                                                                                                    | 4.8               | 4.7                  |
| Other non-current liabilities                                                                                                                                                          | 139.2             | 144.3                |
| Total liabilities                                                                                                                                                                      | 1,840.2           | 1,871.2              |
| <b>Commitments and contingencies (See Note 14)</b>                                                                                                                                     |                   |                      |
| <b>REDEEMABLE NONCONTROLLING INTERESTS</b>                                                                                                                                             |                   |                      |
|                                                                                                                                                                                        | 99.3              | 85.8                 |
| <b>EQUITY</b>                                                                                                                                                                          |                   |                      |
| Common stock, \$1.50 par value; 480,000,000 shares authorized, and 172,349,989 and 180,403,176 shares issued and outstanding as of March 31, 2021, and December 31, 2020, respectively | 258.5             | 270.6                |
| Additional paid-in-capital                                                                                                                                                             | 3,769.0           | 3,815.0              |
| Treasury shares, 2,483,056 and 2,548,063 shares held at March 31, 2021, and December 31, 2020, respectively                                                                            | (104.4)           | (107.3)              |
| Accumulated other comprehensive loss, net of tax                                                                                                                                       | (321.4)           | (324.0)              |
| Retained earnings                                                                                                                                                                      | 937.7             | 1,062.1              |
| Total shareholders' equity                                                                                                                                                             | 4,539.4           | 4,716.4              |
| Nonredeemable noncontrolling interests                                                                                                                                                 | 15.8              | 17.4                 |
| Total equity                                                                                                                                                                           | 4,555.2           | 4,733.8              |
| Total liabilities, redeemable noncontrolling interests and equity                                                                                                                      | <u>\$ 6,494.7</u> | <u>\$ 6,690.8</u>    |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**JANUS HENDERSON GROUP PLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**  
(U.S. Dollars in Millions, Except per Share Data)

|                                                                            | Three months ended<br>March 31, |            |
|----------------------------------------------------------------------------|---------------------------------|------------|
|                                                                            | 2021                            | 2020       |
| <b>Revenue:</b>                                                            |                                 |            |
| Management fees                                                            | \$ 514.9                        | \$ 439.6   |
| Performance fees                                                           | 17.0                            | 14.6       |
| Shareowner servicing fees                                                  | 60.8                            | 50.3       |
| Other revenue                                                              | 51.3                            | 50.4       |
| Total revenue                                                              | 644.0                           | 554.9      |
| <b>Operating expenses:</b>                                                 |                                 |            |
| Employee compensation and benefits                                         | 174.6                           | 155.6      |
| Long-term incentive plans                                                  | 53.5                            | 33.6       |
| Distribution expenses                                                      | 127.4                           | 112.2      |
| Investment administration                                                  | 12.6                            | 11.7       |
| Marketing                                                                  | 6.2                             | 6.7        |
| General, administrative and occupancy                                      | 63.0                            | 65.2       |
| Impairment of goodwill and intangible assets                               | 3.6                             | 487.3      |
| Depreciation and amortization                                              | 10.6                            | 15.0       |
| Total operating expenses                                                   | 451.5                           | 887.3      |
| <b>Operating income (loss)</b>                                             | 192.5                           | (332.4)    |
| Interest expense                                                           | (3.2)                           | (3.3)      |
| Investment gains (losses), net                                             | 1.6                             | (50.5)     |
| Other non-operating income (expenses), net                                 | (0.1)                           | 32.2       |
| Income (loss) before taxes                                                 | 190.8                           | (354.0)    |
| Income tax benefit (provision)                                             | (43.1)                          | 68.8       |
| Net income (loss)                                                          | 147.7                           | (285.2)    |
| Net loss attributable to noncontrolling interests                          | 7.8                             | 38.2       |
| <b>Net income (loss) attributable to JHG</b>                               | \$ 155.5                        | \$ (247.0) |
| <b>Earnings (loss) per share attributable to JHG common shareholders:</b>  |                                 |            |
| Basic                                                                      | \$ 0.88                         | \$ (1.35)  |
| Diluted                                                                    | \$ 0.88                         | \$ (1.35)  |
| <b>Other comprehensive income (loss), net of tax:</b>                      |                                 |            |
| Foreign currency translation gains (losses)                                | \$ 3.3                          | \$ (149.1) |
| Actuarial gains                                                            | 0.1                             | 0.1        |
| Other comprehensive income (loss), net of tax                              | 3.4                             | (149.0)    |
| Other comprehensive (income) loss attributable to noncontrolling interests | (0.8)                           | 5.1        |
| Other comprehensive income (loss) attributable to JHG                      | \$ 2.6                          | \$ (143.9) |
| Total comprehensive income (loss)                                          | \$ 151.1                        | \$ (434.2) |
| Total comprehensive loss attributable to noncontrolling interests          | 7.0                             | 43.3       |
| <b>Total comprehensive income (loss) attributable to JHG</b>               | \$ 158.1                        | \$ (390.9) |

The accompanying notes are an integral part of these condensed consolidated financial statements.

# JANUS HENDERSON GROUP PLC

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (U.S. Dollars in Millions)

|                                                                                          | Three months ended<br>March 31, |                 |
|------------------------------------------------------------------------------------------|---------------------------------|-----------------|
|                                                                                          | 2021                            | 2020            |
| <b>CASH FLOWS PROVIDED BY (USED FOR):</b>                                                |                                 |                 |
| <b>Operating activities:</b>                                                             |                                 |                 |
| Net income (loss)                                                                        | \$ 147.7                        | \$ (285.2)      |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                                 |                 |
| Depreciation and amortization                                                            | 10.6                            | 15.0            |
| Impairment of goodwill and intangible assets                                             | 3.6                             | 487.3           |
| Deferred income taxes                                                                    | 0.4                             | (110.8)         |
| Stock-based compensation plan expense                                                    | 17.6                            | 16.6            |
| Gain on sale of Geneva                                                                   | —                               | (17.4)          |
| Investment (gains) losses, net                                                           | (1.6)                           | 50.5            |
| Contingent consideration fair value adjustment                                           | —                               | (7.1)           |
| Other, net                                                                               | (2.4)                           | (13.3)          |
| Changes in operating assets and liabilities:                                             |                                 |                 |
| OEIC and unit trust receivables and payables                                             | (0.3)                           | 8.3             |
| Other assets                                                                             | 4.1                             | 57.4            |
| Other accruals and liabilities                                                           | (153.9)                         | (163.4)         |
| Net operating activities                                                                 | <u>25.8</u>                     | <u>37.9</u>     |
| <b>Investing activities:</b>                                                             |                                 |                 |
| Sales (purchases) of:                                                                    |                                 |                 |
| Investment securities, net                                                               | 51.4                            | 98.3            |
| Property, equipment and software                                                         | (1.6)                           | (8.2)           |
| Investment securities by consolidated seeded investment products, net                    | (28.1)                          | (105.3)         |
| Cash received (paid) on settled seed capital hedges, net                                 | (1.8)                           | 17.9            |
| Dividends received from equity-method investments                                        | 1.1                             | 0.5             |
| Receipt of contingent consideration payments from sale of Volantis                       | 0.8                             | —               |
| Receipt of contingent consideration payments from sale of Geneva                         | 1.6                             | —               |
| Proceeds from sale of Geneva                                                             | —                               | 38.6            |
| Net investing activities                                                                 | <u>23.4</u>                     | <u>41.8</u>     |
| <b>Financing activities:</b>                                                             |                                 |                 |
| Proceeds from stock-based compensation plans                                             | 0.8                             | —               |
| Purchase of common stock for stock-based compensation plans                              | (61.5)                          | (39.8)          |
| Purchase of common stock from Dai-ichi Life and share buyback program                    | (230.2)                         | (31.2)          |
| Dividends paid to shareholders                                                           | (61.7)                          | (66.2)          |
| Payment of contingent consideration                                                      | —                               | (13.8)          |
| Distributions to noncontrolling interests                                                | (0.1)                           | (0.1)           |
| Third-party sales in consolidated seeded investment products, net                        | 30.2                            | 105.3           |
| Principal payments under capital lease obligations                                       | —                               | (0.2)           |
| Net financing activities                                                                 | <u>(322.5)</u>                  | <u>(46.0)</u>   |
| <b>Cash and cash equivalents:</b>                                                        |                                 |                 |
| Effect of foreign exchange rate changes                                                  | 1.8                             | (28.0)          |
| Net change                                                                               | (271.5)                         | 5.7             |
| At beginning of period                                                                   | 1,108.1                         | 796.5           |
| At end of period                                                                         | <u>\$ 836.6</u>                 | <u>\$ 802.2</u> |
| <b>Supplemental cash flow information:</b>                                               |                                 |                 |
| Cash paid for interest                                                                   | \$ 7.3                          | \$ 7.3          |
| Cash paid for income taxes, net of refunds                                               | \$ 9.1                          | \$ 4.9          |
| <b>Reconciliation of cash and cash equivalents:</b>                                      |                                 |                 |
| Cash and cash equivalents                                                                | \$ 826.1                        | \$ 732.5        |
| Cash and cash equivalents held in consolidated VIEs                                      | 10.5                            | 69.7            |
| Total cash and cash equivalents                                                          | <u>\$ 836.6</u>                 | <u>\$ 802.2</u> |

The accompanying notes are an integral part of these condensed consolidated financial statements.

JANUS HENDERSON GROUP PLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)  
(Amounts in Millions)

|                                                                       | Number of<br>shares | Common<br>stock | Additional<br>paid-in<br>capital | Treasury<br>shares | Accumulated<br>other<br>comprehensive<br>loss | Retained<br>earnings | Nonredeemable<br>noncontrolling<br>interests | Total<br>equity   |
|-----------------------------------------------------------------------|---------------------|-----------------|----------------------------------|--------------------|-----------------------------------------------|----------------------|----------------------------------------------|-------------------|
| <b>Balance at January 1, 2021</b>                                     | 180.4               | \$ 270.6        | \$ 3,815.0                       | \$ (107.3)         | \$ (324.0)                                    | \$ 1,062.1           | \$ 17.4                                      | \$ 4,733.8        |
| Net income                                                            | —                   | —               | —                                | —                  | —                                             | 155.5                | (1.5)                                        | 154.0             |
| Other comprehensive income                                            | —                   | —               | —                                | —                  | 2.6                                           | —                    | —                                            | 2.6               |
| Dividends paid to shareholders (\$0.36 per share)                     | —                   | —               | —                                | —                  | —                                             | (61.7)               | —                                            | (61.7)            |
| Purchase of common stock from Dai-ichi Life and share buyback program | (8.1)               | (12.1)          | —                                | —                  | —                                             | (218.1)              | —                                            | (230.2)           |
| Distributions to noncontrolling interests                             | —                   | —               | —                                | —                  | —                                             | —                    | (0.1)                                        | (0.1)             |
| Fair value adjustments to redeemable noncontrolling interests         | —                   | —               | —                                | —                  | —                                             | (0.1)                | —                                            | (0.1)             |
| Purchase of common stock for stock-based compensation plans           | —                   | —               | (61.2)                           | (0.3)              | —                                             | —                    | —                                            | (61.5)            |
| Vesting of stock-based compensation plans                             | —                   | —               | (3.2)                            | 3.2                | —                                             | —                    | —                                            | —                 |
| Stock-based compensation plan expense                                 | —                   | —               | 17.6                             | —                  | —                                             | —                    | —                                            | 17.6              |
| Proceeds from stock-based compensation plans                          | —                   | —               | 0.8                              | —                  | —                                             | —                    | —                                            | 0.8               |
| <b>Balance at March 31, 2021</b>                                      | <u>172.3</u>        | <u>\$ 258.5</u> | <u>\$ 3,769.0</u>                | <u>\$ (104.4)</u>  | <u>\$ (321.4)</u>                             | <u>\$ 937.7</u>      | <u>\$ 15.8</u>                               | <u>\$ 4,555.2</u> |
|                                                                       | Number of<br>shares | Common<br>stock | Additional<br>paid-in<br>capital | Treasury<br>shares | Accumulated<br>other<br>comprehensive<br>loss | Retained<br>earnings | Nonredeemable<br>noncontrolling<br>interests | Total<br>equity   |
| <b>Balance at January 1, 2020</b>                                     | 187.0               | \$ 280.5        | \$ 3,828.5                       | \$ (139.5)         | \$ (367.1)                                    | \$ 1,284.1           | \$ 19.7                                      | \$ 4,906.2        |
| Net loss                                                              | —                   | —               | —                                | —                  | —                                             | (247.0)              | (1.2)                                        | (248.2)           |
| Other comprehensive loss                                              | —                   | —               | —                                | —                  | (143.9)                                       | —                    | —                                            | (143.9)           |
| Dividends paid to shareholders (\$0.36 per share)                     | —                   | —               | —                                | —                  | —                                             | (66.2)               | —                                            | (66.2)            |
| Share buyback program                                                 | (2.1)               | (3.1)           | —                                | —                  | —                                             | (28.1)               | —                                            | (31.2)            |
| Distributions to noncontrolling interests                             | —                   | —               | —                                | —                  | —                                             | —                    | (0.1)                                        | (0.1)             |
| Purchase of common stock for stock-based compensation plans           | —                   | —               | (37.0)                           | (2.8)              | —                                             | —                    | —                                            | (39.8)            |
| Vesting of stock-based compensation plans                             | —                   | —               | (4.4)                            | 4.4                | —                                             | —                    | —                                            | —                 |
| Stock-based compensation plan expense                                 | —                   | —               | 16.6                             | —                  | —                                             | —                    | —                                            | 16.6              |
| <b>Balance at March 31, 2020</b>                                      | <u>184.9</u>        | <u>\$ 277.4</u> | <u>\$ 3,803.7</u>                | <u>\$ (137.9)</u>  | <u>\$ (511.0)</u>                             | <u>\$ 942.8</u>      | <u>\$ 18.4</u>                               | <u>\$ 4,393.4</u> |

The accompanying notes are an integral part of these condensed consolidated financial statements.

# JANUS HENDERSON GROUP PLC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### Note 1 — Basis of Presentation and Significant Accounting Policies

#### *Basis of Presentation*

In the opinion of management of Janus Henderson Group plc (“JHG,” “the Company,” “we,” “us,” “our” and similar terms), the accompanying unaudited condensed consolidated financial statements contain all normal recurring adjustments necessary to fairly state our financial position, results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Such financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP are not required for interim reporting purposes and have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the annual consolidated financial statements and notes presented in our Annual Report on Form 10-K for the year ended December 31, 2020. Events subsequent to the balance sheet date have been evaluated for inclusion in the accompanying financial statements through the issuance date.

#### *Recent Accounting Pronouncements Adopted*

##### *Income Taxes*

In December 2019, the Financial Accounting Standards Board (“FASB”) issued accounting standards update (“ASU”) 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which is part of the FASB’s initiative to reduce complexity in accounting standards. The ASU eliminates certain exceptions to the general principles of ASC 740, Income Taxes, and simplifies income tax accounting in several areas. We adopted the ASU, which was effective as of January 1, 2021. The adoption of this ASU did not have a material impact on our results of operations or financial position.

### Note 2 — Consolidation

#### *Variable Interest Entities*

##### *Consolidated Variable Interest Entities*

Our consolidated variable interest entities (“VIEs”) as of March 31, 2021, and December 31, 2020, include certain consolidated seeded investment products in which we have an investment and act as the investment manager. The assets of these VIEs are not available to us or our creditors. We may not, under any circumstances, access cash, cash equivalents or other assets held by consolidated VIEs to use in our operating activities or otherwise. In addition, the investors in these VIEs have no recourse to the credit of JHG.

##### *Unconsolidated Variable Interest Entities*

The following table presents the carrying value of investment securities included on our Condensed Consolidated Balance Sheets pertaining to unconsolidated VIEs (in millions):

|                     | March 31,<br>2021 | December 31,<br>2020 |
|---------------------|-------------------|----------------------|
| Unconsolidated VIEs | \$ 4.6            | \$ 9.6               |

Our total exposure to unconsolidated VIEs represents the value of our economic ownership interest in the investment securities.

### ***Voting Rights Entities***

#### ***Consolidated Voting Rights Entities***

The following table presents the balances related to consolidated voting rights entities (“VREs”) that were recorded on our Condensed Consolidated Balance Sheets, including our net interest in these products (in millions):

|                                          | <b>March 31,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|------------------------------------------|---------------------------|------------------------------|
| Investment securities                    | \$ 31.4                   | \$ 29.3                      |
| Cash and cash equivalents                | 2.1                       | 2.8                          |
| Other current assets                     | 0.4                       | 0.4                          |
| Accounts payable and accrued liabilities | (0.2)                     | (0.1)                        |
| Total                                    | <u>\$ 33.7</u>            | <u>\$ 32.4</u>               |

Our total exposure to consolidated VREs represents the value of our economic ownership interest in these seeded investment products.

#### ***Unconsolidated Voting Rights Entities***

The following table presents the carrying value of investment securities included on our Condensed Consolidated Balance Sheets pertaining to unconsolidated VREs (in millions):

|                     | <b>March 31,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|---------------------|---------------------------|------------------------------|
| Unconsolidated VREs | \$ 56.3                   | \$ 63.6                      |

Our total exposure to unconsolidated VREs represents the value of our economic ownership interest in the investment securities.

### **Note 3 — Investment Securities**

Our investment securities as of March 31, 2021, and December 31, 2020, are summarized as follows (in millions):

|                                                    | <b>March 31,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|----------------------------------------------------|---------------------------|------------------------------|
| Seeded investment products:                        |                           |                              |
| Consolidated VIEs                                  | \$ 187.4                  | \$ 214.6                     |
| Consolidated VREs                                  | 31.4                      | 29.3                         |
| Unconsolidated VIEs and VREs                       | 60.9                      | 73.2                         |
| Separate accounts                                  | 61.0                      | 63.5                         |
| Pooled investment funds                            | 0.1                       | 0.1                          |
| Total seeded investment products                   | <u>340.8</u>              | <u>380.7</u>                 |
| Investments related to deferred compensation plans | 96.6                      | 96.5                         |
| Other investments                                  | 5.5                       | 5.5                          |
| Total investment securities                        | <u>\$ 442.9</u>           | <u>\$ 482.7</u>              |

### Trading Securities

Net unrealized gains (losses) on investment securities held as of the three months ended March 31, 2021 and 2020, are summarized as follows (in millions):

|                                                                       | Three months ended<br>March 31, |           |
|-----------------------------------------------------------------------|---------------------------------|-----------|
|                                                                       | 2021                            | 2020      |
| Unrealized gains (losses) on investment securities held at period end | \$ 1.6                          | \$ (39.5) |

### Investment Gains (Losses), Net

Investment gains (losses), net on our Condensed Consolidated Statements of Comprehensive Income (Loss) included the following for the three months ended March 31, 2021 and 2020 (in millions):

|                                                               | Three months ended<br>March 31, |           |
|---------------------------------------------------------------|---------------------------------|-----------|
|                                                               | 2021                            | 2020      |
| Seeded investment products and hedges, net                    | \$ 5.6                          | \$ (5.1)  |
| Third-party ownership interests in seeded investment products | (8.0)                           | (38.4)    |
| Long Tail Alpha equity method investment                      | 2.1                             | 1.3       |
| Deferred equity plan                                          | 1.9                             | (7.3)     |
| Other                                                         | —                               | (1.0)     |
| Investment gains (losses), net                                | \$ 1.6                          | \$ (50.5) |

### Cash Flows

Cash flows related to investment securities for the three months ended March 31, 2021 and 2020, are summarized as follows (in millions):

|                                                                  | Three months ended March 31,    |                                            |                                 |                                            |
|------------------------------------------------------------------|---------------------------------|--------------------------------------------|---------------------------------|--------------------------------------------|
|                                                                  | 2021                            |                                            | 2020                            |                                            |
|                                                                  | Purchases<br>and<br>settlements | Sales,<br>settlements<br>and<br>maturities | Purchases<br>and<br>settlements | Sales,<br>settlements<br>and<br>maturities |
| Investment securities by consolidated seeded investment products | \$ (30.2)                       | \$ 2.1                                     | \$ 2.9                          | \$ (108.2)                                 |
| Investment securities                                            | (0.5)                           | 51.9                                       | (15.1)                          | 113.4                                      |

#### Note 4 — Derivative Instruments

##### *Derivative Instruments Used to Hedge Seeded Investment Products*

We maintain an economic hedge program that uses derivative instruments to mitigate against market volatility of certain seeded investments by using index and commodity futures (“futures”), index swaps, total return swaps (“TRSs”) and credit default swaps. Foreign currency exposures associated with our seeded investment products are also hedged by using foreign currency forward contracts and swaps.

We were party to the following derivative instruments as of March 31, 2021, and December 31, 2020 (in millions):

|                                              | Notional value |                   |
|----------------------------------------------|----------------|-------------------|
|                                              | March 31, 2021 | December 31, 2020 |
| Futures                                      | \$ 125.3       | \$ 164.5          |
| Credit default swaps                         | 157.4          | 166.2             |
| Total return swaps                           | 32.8           | 35.6              |
| Foreign currency forward contracts and swaps | 120.9          | 205.0             |

The derivative instruments are not designated as hedges for accounting purposes. Changes in fair value of the derivatives are recognized in investment gains (losses), net in our Condensed Consolidated Statements of Comprehensive Income (Loss).

Derivative assets and liabilities are generally recognized on a gross basis and included in other current assets or accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets. The derivative assets and liabilities as of March 31, 2021, and December 31, 2020, are summarized as follows (in millions):

|                        | Fair value     |                   |
|------------------------|----------------|-------------------|
|                        | March 31, 2021 | December 31, 2020 |
| Derivative assets      | \$ 19.2        | \$ 9.1            |
| Derivative liabilities | 17.3           | 10.8              |

In addition to using derivative instruments to mitigate against market volatility of certain seeded investments, we also engage in short sales of securities to hedge seed investments. As of March 31, 2021 and December 31, 2020, the fair value of securities sold but not yet purchased were \$5.8 million and \$7.9 million, respectively. The cash received from the short sale and the obligation to repurchase the shares are classified in other current assets and accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets, respectively. Fair value adjustments are recognized in investment gains (losses), net on our Condensed Consolidated Statements of Comprehensive Income (Loss).

##### *Derivative Instruments in Consolidated Seeded Investment Products*

Certain of our consolidated seeded investment products utilize derivative instruments to contribute to the achievement of defined investment objectives. These derivative instruments are classified within other current assets or accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets. Gains and losses on these derivative instruments are classified within investment gains (losses), net in our Condensed Consolidated Statements of Comprehensive Income (Loss).

Our consolidated seeded investment products were party to the following derivative instruments as of March 31, 2021, and December 31, 2020 (in millions):

|                                              | Notional value |                   |
|----------------------------------------------|----------------|-------------------|
|                                              | March 31, 2021 | December 31, 2020 |
| Futures                                      | \$ 57.7        | \$ 57.0           |
| Credit default swaps                         | 5.1            | 1.5               |
| Interest rate swaps                          | 11.3           | 75.0              |
| Options                                      | 0.1            | 0.5               |
| Foreign currency forward contracts and swaps | 43.0           | 56.1              |

***Derivative Instruments — Used in Foreign Currency Hedging Program***

In January 2021, we implemented a balance sheet foreign currency hedging program (the “Program”) to take reasonable measures to minimize the effects of foreign currency remeasurement of monetary balance sheet accounts. The Program is not designed to eliminate all impacts of foreign currency risk; rather it is designed to reduce income statement volatility. The Program utilizes foreign currency forward contracts and swaps to achieve its objectives and it is considered an economic hedge for accounting purposes.

The notional value of the foreign currency forward contracts and swaps was \$185.9 million at March 31, 2021. The derivative assets and liabilities are generally recognized on a gross basis and included in other current assets or accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets. The derivative assets and liabilities as of March 31, 2021, are summarized as follows (in millions):

|                        | Fair value     |     |
|------------------------|----------------|-----|
|                        | March 31, 2021 |     |
| Derivative assets      | \$             | 0.3 |
| Derivative liabilities |                | 0.7 |

Changes in fair value of the derivatives are recognized in other non-operating income (expenses), net on our Condensed Consolidated Statements of Comprehensive Income (Loss), and we recognized a gain of \$0.6 million during the three months ended March 31, 2021. Foreign currency remeasurement is also recognized in other non-operating income (expenses), net on our Condensed Consolidated Statement of Comprehensive Income (Loss).

## Note 5 — Fair Value Measurements

The following table presents assets and liabilities reflected in the financial statements or disclosed in the notes to the financial statements at fair value on a recurring basis as of March 31, 2021 (in millions):

|                                                        | Fair value measurements using:                                                             |                                                     |                                                 |          |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|----------|
|                                                        | Quoted prices in<br>active markets for<br>identical assets<br>and liabilities<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable inputs<br>(Level 3) | Total    |
| <b>Assets:</b>                                         |                                                                                            |                                                     |                                                 |          |
| Cash equivalents                                       | \$ 423.0                                                                                   | \$ —                                                | \$ —                                            | \$ 423.0 |
| <b>Investment securities:</b>                          |                                                                                            |                                                     |                                                 |          |
| Consolidated VIEs                                      | 133.9                                                                                      | 44.3                                                | 9.2                                             | 187.4    |
| Other investment securities                            | 221.4                                                                                      | 34.1                                                | —                                               | 255.5    |
| Total investment securities                            | 355.3                                                                                      | 78.4                                                | 9.2                                             | 442.9    |
| Seed hedge derivatives                                 | —                                                                                          | 19.2                                                | —                                               | 19.2     |
| Derivatives in consolidated seeded investment products | —                                                                                          | 0.5                                                 | —                                               | 0.5      |
| Derivatives used in foreign currency hedging program   | —                                                                                          | 0.3                                                 | —                                               | 0.3      |
| Volantis contingent consideration                      | —                                                                                          | —                                                   | 2.2                                             | 2.2      |
| Geneva contingent consideration                        | —                                                                                          | —                                                   | 15.8                                            | 15.8     |
| Total assets                                           | \$ 778.3                                                                                   | \$ 98.4                                             | \$ 27.2                                         | \$ 903.6 |
| <b>Liabilities:</b>                                    |                                                                                            |                                                     |                                                 |          |
| Derivatives in consolidated seeded investment products | \$ —                                                                                       | \$ 0.5                                              | \$ —                                            | \$ 0.5   |
| Derivatives used in foreign currency hedging program   | —                                                                                          | 0.7                                                 | —                                               | 0.7      |
| Securities sold, not yet purchased                     | 5.8                                                                                        | —                                                   | —                                               | 5.8      |
| Seed hedge derivatives                                 | —                                                                                          | 17.3                                                | —                                               | 17.3     |
| Long-term debt <sup>(1)</sup>                          | —                                                                                          | 339.6                                               | —                                               | 339.6    |
| Deferred bonuses                                       | —                                                                                          | —                                                   | 73.6                                            | 73.6     |
| Total liabilities                                      | \$ 5.8                                                                                     | \$ 358.1                                            | \$ 73.6                                         | \$ 437.5 |

(1) Carried at amortized cost and disclosed at fair value.

The following table presents assets and liabilities reflected in the financial statements or disclosed in the notes to the financial statements at fair value on a recurring basis as of December 31, 2020 (in millions):

|                                                        | Fair value measurements using:                                                             |                                                     |                                                 |            |  |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|------------|--|
|                                                        | Quoted prices in<br>active markets for<br>identical assets<br>and liabilities<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable inputs<br>(Level 3) | Total      |  |
| <b>Assets:</b>                                         |                                                                                            |                                                     |                                                 |            |  |
| Cash equivalents                                       | \$ 525.0                                                                                   | \$ —                                                | \$ —                                            | \$ 525.0   |  |
| <b>Investment securities:</b>                          |                                                                                            |                                                     |                                                 |            |  |
| Consolidated VIEs                                      | 125.7                                                                                      | 77.7                                                | 11.2                                            | 214.6      |  |
| Other investment securities                            | 230.9                                                                                      | 37.2                                                | —                                               | 268.1      |  |
| Total investment securities                            | 356.6                                                                                      | 114.9                                               | 11.2                                            | 482.7      |  |
| Seed hedge derivatives                                 | —                                                                                          | 9.1                                                 | —                                               | 9.1        |  |
| Derivatives in consolidated seeded investment products | —                                                                                          | 0.9                                                 | —                                               | 0.9        |  |
| Volantis contingent consideration                      | —                                                                                          | —                                                   | 2.8                                             | 2.8        |  |
| Geneva contingent consideration                        | —                                                                                          | —                                                   | 17.4                                            | 17.4       |  |
| Total assets                                           | \$ 881.6                                                                                   | \$ 124.9                                            | \$ 31.4                                         | \$ 1,037.9 |  |
| <b>Liabilities:</b>                                    |                                                                                            |                                                     |                                                 |            |  |
| Derivatives in consolidated seeded investment products | \$ —                                                                                       | \$ 0.2                                              | \$ —                                            | \$ 0.2     |  |
| Securities sold, not yet purchased                     | 7.9                                                                                        | —                                                   | —                                               | 7.9        |  |
| Seed hedge derivatives                                 | —                                                                                          | 10.8                                                | —                                               | 10.8       |  |
| Long-term debt <sup>(1)</sup>                          | —                                                                                          | 348.4                                               | —                                               | 348.4      |  |
| Deferred bonuses                                       | —                                                                                          | —                                                   | 65.2                                            | 65.2       |  |
| Total liabilities                                      | \$ 7.9                                                                                     | \$ 359.4                                            | \$ 65.2                                         | \$ 432.5   |  |

(1) Carried at amortized cost and disclosed at fair value.

#### **Level 1 Fair Value Measurements**

Our Level 1 fair value measurements consist mostly of investments held by seeded investment products, investments in advised mutual funds, cash equivalents and investments related to deferred compensation plans with quoted market prices in active markets. The fair value level of consolidated investments held by seeded investment products is determined by the underlying securities of the product. The fair value level of unconsolidated investments held in seeded investment products is determined by the net asset value (“NAV”), which is considered a quoted price in an active market.

#### **Level 2 Fair Value Measurements**

Our Level 2 fair value measurements consist mostly of consolidated seeded investment products, derivative instruments and our long-term debt. The fair value of consolidated seeded investment products is determined by the underlying securities of the product. The fair value of our long-term debt is determined using broker quotes and recent trading activity, which are considered Level 2 inputs.

### Level 3 Fair Value Measurements

#### Investment Securities

As of March 31, 2021, and December 31, 2020, certain securities within consolidated VIEs were valued using significant unobservable inputs, resulting in Level 3 classification. In addition, we have an investment in a private equity vehicle where the significant valuation inputs are unobservable.

#### Geneva Contingent Consideration

On December 3, 2019, Henderson Global Investors (North America), Inc. (“HGINA”), a subsidiary of the Company, entered into an agreement to sell its 100% ownership interest in Geneva Capital Management LLC (“Geneva”) to GCM Purchaser, LLC. The sale closed on March 17, 2020. Consideration included aggregate cash consideration of \$38.4 million and contingent consideration (the “Earnout”) based on future revenue. Payments under the Earnout are to be made quarterly over a five-year term, with minimum aggregate payments of \$20.5 million and maximum aggregate payments of \$35.0 million. During the three months ended March 31, 2021, we received a \$1.6 million contingent consideration payment.

#### Volantis Contingent Consideration

On April 1, 2017, we completed the sale of the Volantis UK Small Cap (“Volantis”) alternative team assets. Consideration for the sale was a 10% share of the management and performance fees generated by Volantis (excluding one particular fund) for a period of three years following the sale. In addition, consideration for the sale included 50% of the first £12 million of performance fees generated by the excluded fund referenced above. As of March 31, 2021, the fund has not reached the £12 million performance fee threshold. As a result, this fee sharing arrangement will remain in effect until the performance threshold is reached.

As of March 31, 2021, and December 31, 2020, the fair value of the Volantis contingent consideration was \$2.2 million and \$2.8 million, respectively.

#### Deferred Bonuses

Deferred bonuses represent liabilities to employees over the vesting period that will be settled by investments in our products. The significant unobservable inputs used to value the liabilities are investment designations and vesting periods.

#### Changes in Fair Value

Changes in fair value of our Level 3 assets for the three months ended March 31, 2021 and 2020, were as follows (in millions):

|                                           | Three months ended March 31, |         |
|-------------------------------------------|------------------------------|---------|
|                                           | 2021                         | 2020    |
| Beginning of period fair value            | \$ 31.4                      | \$ 12.8 |
| Geneva contingent consideration from sale | —                            | 20.5    |
| Settlements                               | (2.2)                        | —       |
| Fair value adjustments                    | (3.9)                        | (2.2)   |
| Purchases of securities                   | 2.3                          | —       |
| Sales of securities                       | (0.4)                        | —       |
| Foreign currency translation              | —                            | (0.3)   |
| End of period fair value                  | \$ 27.2                      | \$ 30.8 |

Changes in fair value of our individual Level 3 liabilities for the three months ended March 31, 2021 and 2020, were as follows (in millions):

|                                  | Three months ended March 31, |                          |                  |
|----------------------------------|------------------------------|--------------------------|------------------|
|                                  | 2021                         | 2020                     |                  |
|                                  | Deferred bonuses             | Contingent consideration | Deferred bonuses |
| Beginning of period fair value   | \$ 65.2                      | \$ 21.2                  | \$ 76.6          |
| Fair value adjustments           | 2.3                          | (7.1)                    | (4.9)            |
| Vesting of deferred bonuses      | (2.5)                        | —                        | (2.3)            |
| Amortization of deferred bonuses | 8.0                          | —                        | 9.8              |
| Unrealized gains (losses)        | —                            | 0.3                      | —                |
| Distributions                    | —                            | (13.8)                   | —                |
| Foreign currency translation     | 0.6                          | (0.6)                    | (4.9)            |
| End of period fair value         | <u>\$ 73.6</u>               | <u>\$ —</u>              | <u>\$ 74.3</u>   |

#### ***Nonrecurring Fair Value Measurements***

Nonrecurring Level 3 fair value measurements include goodwill and intangible assets. We measure the fair value of goodwill and intangible assets on initial recognition using discounted cash flow (“DCF”) analysis that requires assumptions regarding projected future earnings and discount rates. Because of the significance of the unobservable inputs in the fair value measurements of these assets, such measurements are classified as Level 3. We also measured the fair value of intangible assets and goodwill during our interim impairment assessment completed during the three months ended March 31, 2020.

The significant inputs used in the first quarter 2020 DCF analysis to calculate the fair value of goodwill and the intangible assets include the discount rate, terminal growth rate and assets under management (“AUM”) projections.

A discount rate of 11.1% was used to determine the fair value of goodwill and intangible assets. The discount rate was calculated using a market participant approach with data from certain peer asset management companies. The discount rate also contemplated the risk-free rate and other premiums, such as the risk premium and company size premium.

The terminal growth rates used to determine the fair value of goodwill and intangible assets were based on the fundamentals of the business as well as varying external factors such as market positioning and industry growth expectations. The terminal growth rates varied by entity but all of the rates were within a range of 1% to 5%.

Due to the market volatility and unknown future economic impacts of the novel coronavirus (“COVID-19”), we used three different market scenarios for the remainder of 2020. Each market scenario was probability-weighted with 50% allocated to the upside and 25% allocated to the base case and downside scenarios. Market assumptions beyond 2020 reverted to our historical market norms of 6% for equity, 3% for fixed income and 4.5% for multi-asset products.

## Note 6 — Goodwill and Intangible Assets

The following tables present movements in our intangible assets and goodwill during the three months ended March 31, 2021 and 2020 (in millions):

|                                     | December 31,<br>2020 | Amortization | Disposal | Impairment | Foreign<br>currency<br>translation | March 31,<br>2021 |
|-------------------------------------|----------------------|--------------|----------|------------|------------------------------------|-------------------|
| Indefinite-lived intangible assets: |                      |              |          |            |                                    |                   |
| Investment management agreements    | \$ 2,242.9           | \$ —         | \$ —     | \$ —       | \$ 1.4                             | \$ 2,244.3        |
| Trademarks                          | 373.2                | —            | —        | (3.6)      | —                                  | 369.6             |
| Definite-lived intangible assets:   |                      |              |          |            |                                    |                   |
| Client relationships                | 170.9                | —            | —        | —          | (0.1)                              | 170.8             |
| Accumulated amortization            | (100.7)              | (1.9)        | —        | —          | (0.2)                              | (102.8)           |
| Net intangible assets               | \$ 2,686.3           | \$ (1.9)     | \$ —     | \$ (3.6)   | \$ 1.1                             | \$ 2,681.9        |
| Goodwill                            | \$ 1,383.9           | \$ —         | \$ —     | \$ —       | \$ 5.9                             | \$ 1,389.8        |

|                                     | December 31,<br>2019 | Amortization | Disposal  | Impairment | Foreign<br>currency<br>translation | March 31,<br>2020 |
|-------------------------------------|----------------------|--------------|-----------|------------|------------------------------------|-------------------|
| Indefinite-lived intangible assets: |                      |              |           |            |                                    |                   |
| Investment management agreements    | \$ 2,490.3           | \$ —         | \$ —      | \$ (263.5) | \$ (45.2)                          | \$ 2,181.6        |
| Trademarks                          | 380.8                | —            | —         | (7.7)      | (0.5)                              | 372.6             |
| Definite-lived intangible assets:   |                      |              |           |            |                                    |                   |
| Client relationships                | 364.7                | —            | (79.3)    | (92.6)     | (6.8)                              | 186.0             |
| Accumulated amortization            | (147.2)              | (6.4)        | 61.4      | —          | 3.7                                | (88.5)            |
| Net intangible assets               | \$ 3,088.6           | \$ (6.4)     | \$ (17.9) | \$ (363.8) | \$ (48.8)                          | \$ 2,651.7        |
| Goodwill                            | \$ 1,504.3           | \$ —         | \$ (23.5) | \$ (123.5) | \$ (50.2)                          | \$ 1,307.1        |

### Perkins Trademark

During the first quarter of 2021, as part of our ongoing strategic initiatives and looking globally at delivering excellent service to our clients and positioning our business for success, we completed a review of Perkins Investment Management (“Perkins”). To right-size our product portfolio and better align with the changing needs of clients, certain strategies will be closed and the funds liquidated during the second quarter of 2021. The majority of the Perkins value equity strategies are unaffected by this reorganization and they will continue under the Janus Henderson brand. The Perkins brand will be discontinued and future marketing efforts for value equity strategies will be incorporated under the Janus Henderson brand. As of March 31, 2021, we impaired the entire intangible asset associated with the Perkins trademark. The impairment charge of \$3.6 million is included in the table above and recorded in goodwill and intangible asset impairment charges on the Condensed Consolidated Statements of Comprehensive Income (Loss).

### Sale of Geneva

On December 3, 2019, HGINA, a subsidiary of JHG, entered into an agreement to sell its 100% ownership interest in Geneva to GCM Purchaser, LLC. The sale closed on March 17, 2020. The transaction included \$17.9 million of net intangible assets and goodwill of \$23.5 million, as disclosed in the disposal column above.

### Goodwill and Intangible Asset Impairments

In March 2020, the World Health Organization declared COVID-19 a pandemic and global financial markets declined. This drove a sudden and severe decline in our AUM, which was a triggering event for performing an interim impairment assessment of our goodwill and intangible assets. Our interim impairment assessment revealed the carrying value of

certain investment management agreements, trademarks, client relationships and goodwill exceeded their estimated fair value, and we recognized impairments of \$263.5 million, \$7.7 million, \$92.6 million and \$123.5 million, respectively, during the three months ended March 31, 2020. The results of the March 2020 interim assessment are included in the table above. The impairment charges were recorded in goodwill and intangible asset impairment charges on the Condensed Consolidated Statements of Comprehensive Income (Loss).

#### **Future Amortization**

Expected future amortization expense related to client relationships is summarized below (in millions):

| <b>Future amortization</b> | <b>Amount</b>  |
|----------------------------|----------------|
| 2021 (remainder of year)   | \$ 5.8         |
| 2022                       | 7.8            |
| 2023                       | 7.5            |
| 2024                       | 6.0            |
| 2025                       | 6.0            |
| Thereafter                 | 34.9           |
| <b>Total</b>               | <b>\$ 68.0</b> |

#### **Note 7 — Debt**

Our debt as of March 31, 2021, and December 31, 2020, consisted of the following (in millions):

|                              | <b>March 31, 2021</b> |                   | <b>December 31, 2020</b> |                   |
|------------------------------|-----------------------|-------------------|--------------------------|-------------------|
|                              | <b>Carrying value</b> | <b>Fair value</b> | <b>Carrying value</b>    | <b>Fair value</b> |
| 4.875% Senior Notes due 2025 | \$ 312.6              | \$ 339.6          | \$ 313.3                 | \$ 348.4          |

#### **4.875% Senior Notes Due 2025**

The 4.875% Senior Notes due 2025 (“2025 Senior Notes”) have a principal value of \$300.0 million, pay interest at 4.875% semiannually on February 1 and August 1 of each year, and mature on August 1, 2025. The 2025 Senior Notes include unamortized debt premium, net at March 31, 2021, of \$12.6 million, which will be amortized over the remaining life of the notes. The unamortized debt premium is recorded as a liability within long-term debt on our Condensed Consolidated Balance Sheets. JHG fully and unconditionally guarantees the obligations of Janus Capital Group Inc. (“JCG”) in relation to the 2025 Senior Notes.

#### **Credit Facility**

At March 31, 2021, we had a \$200 million, unsecured, revolving credit facility (“Credit Facility”). JHG and its subsidiaries may use the Credit Facility for general corporate purposes. The rate of interest for each interest period is the aggregate of the applicable margin, which is based on our long-term credit rating and the London Interbank Offered Rate (“LIBOR”); the Euro Interbank Offered Rate (“EURIBOR”) in relation to any loan in euro (“EUR”); or in relation to any loan in Australian dollar (“AUD”), the benchmark rate for that currency. We are required to pay a quarterly commitment fee on any unused portion of the Credit Facility, which is also based on our long-term credit rating. Under the Credit Facility, our financing leverage ratio cannot exceed 3.00x EBITDA. At March 31, 2021, we were in compliance with all covenants contained in, and there were no outstanding borrowings under the Credit Facility. The maturity date of the Credit Facility is February 16, 2024.

## Note 8 — Income Taxes

Our effective tax rates for the three months ended March 31, 2021 and 2020, were as follows:

|                    | Three months ended |           |
|--------------------|--------------------|-----------|
|                    | March 31,          | March 31, |
|                    | 2021               | 2020      |
| Effective tax rate | 22.6 %             | 19.4 %    |

The effective tax rate for the three months ended March 31, 2021, compared to the three months ended March 31, 2020, was impacted by the tax windfall related to equity compensation plans which resulted in a decrease in the effective tax rate for the first quarter of 2021. In addition, there were significant impairments of intangible assets and goodwill in the first quarter of 2020, which contributed to a pre-tax book loss in the first quarter of 2020. The majority of the impairment charges were related to temporary differences which adjusted deferred income taxes and did not have a direct impact on the effective tax rate.

As of March 31, 2021, and December 31, 2020, we had \$15.9 million and \$15.8 million, respectively, of unrecognized tax benefits held for uncertain tax positions. We estimate that the existing liability for uncertain tax positions could decrease by up to \$1.6 million within the next 12 months, without giving effect to changes in foreign currency translation.

Legislation was introduced in the Finance Bill 2021 to increase the United Kingdom (“UK”) income tax rate from 19% to 25% beginning in April 2023. The UK income tax rate change will be considered enacted for US GAAP purposes after the Finance Bill 2021 is given Royal Assent, which is likely to occur in the third quarter of 2021. The UK deferred income tax balances will be adjusted at that time from 19% to 25% for those deferred income tax balances that are scheduled to reverse after April 2023. The adjustment to the income statement is expected to result in an increase in net non-cash deferred tax expense in the third quarter of 2021, ranging from \$25.0 million to \$30.0 million.

## Note 9 — Noncontrolling Interests

### Redeemable Noncontrolling Interests

Redeemable noncontrolling interests as of March 31, 2021, and December 31, 2020, consisted of the following (in millions):

|                                           | March 31,<br>2021 | December 31,<br>2020 |
|-------------------------------------------|-------------------|----------------------|
| Consolidated seeded investment products   | \$ 83.7           | \$ 70.6              |
| Intech:                                   |                   |                      |
| Employee appreciation rights              | 12.5              | 12.3                 |
| Founding member ownership interests       | 3.1               | 2.9                  |
| Total redeemable noncontrolling interests | <u>\$ 99.3</u>    | <u>\$ 85.8</u>       |

### Consolidated Seeded Investment Products

Noncontrolling interests in consolidated seeded investment products are classified as redeemable noncontrolling interests when there is an obligation to repurchase units at the investor’s request.

Redeemable noncontrolling interests in consolidated seeded investment products may fluctuate from period to period and are impacted by changes in our relative ownership, changes in the amount of third-party investment in seeded products and volatility in the market value of the underlying securities included in the portfolios of seeded products. Redemptions of investments by third parties in any particular seeded product are redeemed from the net assets of such seeded product and cannot be redeemed from the assets of our other seeded products or from our other assets.

The following table presents the movement in redeemable noncontrolling interests in consolidated seeded investment products during the three months ended March 31, 2021 and 2020 (in millions):

|                              | Three months ended<br>March 31, |                 |
|------------------------------|---------------------------------|-----------------|
|                              | 2021                            | 2020            |
| Opening balance              | \$ 70.6                         | \$ 662.8        |
| Changes in market value      | (6.3)                           | (36.9)          |
| Changes in ownership         | 18.6                            | (171.6)         |
| Foreign currency translation | 0.8                             | (5.6)           |
| Closing balance              | <u>\$ 83.7</u>                  | <u>\$ 448.7</u> |

#### *Intech*

Intech Investment Management LLC (“Intech”) ownership interests held by a founding member had an estimated fair value of \$3.1 million as of March 31, 2021, representing an approximate 1.1% ownership of Intech. This founding member is entitled to retain his remaining Intech interests for the remainder of his life and has the option to require us to purchase his ownership interests in Intech at fair value.

Intech employee appreciation rights are amortized using a graded vesting method over the respective vesting period. The appreciation rights are exercisable upon termination of employment from Intech to the extent vested. Upon exercise, the appreciation rights are settled in Intech equity.

#### **Nonredeemable Noncontrolling Interests**

Nonredeemable noncontrolling interests as of March 31, 2021, and December 31, 2020, were as follows (in millions):

|                                              | March 31,<br>2021 | December 31,<br>2020 |
|----------------------------------------------|-------------------|----------------------|
| Nonredeemable noncontrolling interests in:   |                   |                      |
| Seed capital investments                     | \$ 2.9            | \$ 4.6               |
| Intech                                       | <u>12.9</u>       | <u>12.8</u>          |
| Total nonredeemable noncontrolling interests | <u>\$ 15.8</u>    | <u>\$ 17.4</u>       |

#### **Note 10 — Long-Term Incentive and Employee Compensation**

We granted \$64.9 million and \$67.6 million in restricted stock and mutual fund awards, respectively, during the three months ended March 31, 2021, which generally vest and will be recognized using a graded vesting method over a three- or four-year period.

#### **Note 11 — Retirement Benefit Plans**

We operate defined contribution retirement benefit plans and defined benefit pension plans.

Our primary defined benefit pension plan is the defined benefit section of the Janus Henderson Group UK Pension Scheme (“JHGPS”).

# *Net Periodic Benefit Credit*

The components of net periodic benefit credit in respect of defined benefit plans for three months ended March 31, 2021 and 2020, include the following (in millions):

|                                    | Three months ended<br>March 31, |             |
|------------------------------------|---------------------------------|-------------|
|                                    | 2021                            | 2020        |
| Service cost                       | \$ (0.2)                        | \$ (0.2)    |
| Interest cost                      | (2.8)                           | (4.3)       |
| Amortization of prior service cost | (0.1)                           | (0.1)       |
| Expected return on plan assets     | 3.3                             | 4.6         |
| Net periodic benefit credit        | <u>\$ 0.2</u>                   | <u>\$ —</u> |

## **Note 12 — Accumulated Other Comprehensive Loss**

Changes in accumulated other comprehensive loss, net of tax for the three months ended March 31, 2021 and 2020, were as follows (in millions):

|                                                                                     | Three months ended March 31, |                                     |                   |                     |                                     |                   |
|-------------------------------------------------------------------------------------|------------------------------|-------------------------------------|-------------------|---------------------|-------------------------------------|-------------------|
|                                                                                     | 2021                         |                                     |                   | 2020                |                                     |                   |
|                                                                                     | Foreign<br>currency          | Retirement<br>benefit<br>asset, net | Total             | Foreign<br>currency | Retirement<br>benefit<br>asset, net | Total             |
| Beginning balance                                                                   | \$ (313.6)                   | \$ (10.4)                           | \$ (324.0)        | \$ (386.2)          | \$ 19.1                             | \$ (367.1)        |
| Other comprehensive income (loss)                                                   | 7.5                          | —                                   | 7.5               | (149.1)             | —                                   | (149.1)           |
| Amounts reclassified from accumulated other<br>comprehensive loss                   | (4.2)                        | 0.1                                 | (4.1)             | —                   | 0.1                                 | 0.1               |
| Total other comprehensive income (loss)                                             | 3.3                          | 0.1                                 | 3.4               | (149.1)             | 0.1                                 | (149.0)           |
| Less: other comprehensive loss (income) attributable to<br>noncontrolling interests | (0.8)                        | —                                   | (0.8)             | 5.1                 | —                                   | 5.1               |
| Ending balance                                                                      | <u>\$ (311.1)</u>            | <u>\$ (10.3)</u>                    | <u>\$ (321.4)</u> | <u>\$ (530.2)</u>   | <u>\$ 19.2</u>                      | <u>\$ (511.0)</u> |

The components of other comprehensive income (loss), net of tax for the three months ended March 31, 2021 and 2020, were as follows (in millions):

|                                          | Three months ended March 31, |               |               |                   |               |                   |
|------------------------------------------|------------------------------|---------------|---------------|-------------------|---------------|-------------------|
|                                          | 2021                         |               |               | 2020              |               |                   |
|                                          | Pre-tax<br>amount            | Tax<br>impact | Net<br>amount | Pre-tax<br>amount | Tax<br>impact | Net<br>amount     |
| Foreign currency translation adjustments | \$ 7.1                       | \$ 0.4        | \$ 7.5        | \$ (151.3)        | \$ 2.2        | \$ (149.1)        |
| Reclassifications to net income          | (4.1)                        | —             | (4.1)         | 0.1               | —             | 0.1               |
| Total other comprehensive income (loss)  | <u>\$ 3.0</u>                | <u>\$ 0.4</u> | <u>\$ 3.4</u> | <u>\$ (151.2)</u> | <u>\$ 2.2</u> | <u>\$ (149.0)</u> |

**Note 13 — Earnings (Loss) and Dividends Per Share****Earnings (Loss) Per Share**

The following is a summary of the earnings (loss) per share calculation for the three months ended March 31, 2021 and 2020 (in millions, except per share data):

|                                                            | Three months ended<br>March 31, |                   |
|------------------------------------------------------------|---------------------------------|-------------------|
|                                                            | 2021                            | 2020              |
| Net income (loss) attributable to JHG                      | \$ 155.5                        | \$ (247.0)        |
| Allocation of earnings to participating stock-based awards | (4.8)                           | —                 |
| Net income (loss) attributable to JHG common shareholders  | <u>\$ 150.7</u>                 | <u>\$ (247.0)</u> |
| Weighted-average common shares outstanding — basic         | 171.0                           | 182.4             |
| Dilutive effect of nonparticipating stock-based awards     | 0.8                             | —                 |
| Weighted-average common shares outstanding — diluted       | <u>171.8</u>                    | <u>182.4</u>      |
| Earnings (loss) per share:                                 |                                 |                   |
| Basic (two class)                                          | <u>\$ 0.88</u>                  | <u>\$ (1.35)</u>  |
| Diluted (two class)                                        | <u>\$ 0.88</u>                  | <u>\$ (1.35)</u>  |

The following instruments are anti-dilutive and have not been included in the weighted-average diluted shares outstanding calculation (in millions):

|                                        | Three months ended<br>March 31, |      |
|----------------------------------------|---------------------------------|------|
|                                        | 2021                            | 2020 |
| Unvested nonparticipating stock awards | 0.4                             | 2.3  |

**Dividends Per Share**

The payment of cash dividends is within the discretion of our Board of Directors and depends on many factors, including, but not limited to, our results of operations, financial condition, capital requirements, legal requirements and general business conditions.

The following is a summary of cash dividends paid during the three months ended March 31, 2021:

| Dividend<br>per share | Date<br>declared | Dividends paid<br>(in US\$ millions) | Date<br>paid  |
|-----------------------|------------------|--------------------------------------|---------------|
| \$ 0.36               | February 3, 2021 | \$ 61.7                              | March 3, 2021 |

On April 28, 2021, our Board of Directors declared a cash dividend of \$0.38 per share. The quarterly dividend will be paid on May 27, 2021, to shareholders of record at the close of business on May 11, 2021.

**Note 14 — Commitments and Contingencies**

Commitments and contingencies may arise in the normal course of business. As of March 31, 2021, there were no material changes in the commitments and contingencies as reported in our Annual Report on Form 10-K for the year ended December 31, 2020.

### **Related Party Transactions**

On February 4, 2021, Dai-ichi Life Holdings, Inc. (“Dai-ichi Life”) announced its intention to sell all 30,668,922 shares of JHG common stock it owned by means of a registered secondary public offering. On February 9, 2021, Dai-ichi Life completed the secondary offering, and as part of the offering, we repurchased 8,048,360 shares of common stock from Dai-ichi Life for approximately \$230.0 million through Goldman Sachs & Co. LLC (“as underwriter”) at the price at which the shares of common stock were sold to the public in the secondary offering, less the underwriting discount. As a result of the completion of the secondary offering, Dai-ichi Life no longer owns any shares of JHG common stock. We did not receive any proceeds from Dai-ichi Life’s sale of common stock in the secondary offering.

### **Litigation and Other Regulatory Matters**

We are periodically involved in various legal proceedings and other regulatory matters.

#### *Eisenberg v. Credit Suisse AG and Janus Indices and Qiu v. Credit Suisse AG and Janus Indices*

On March 15, 2018, a class action lawsuit was filed in the U.S. District Court for the Southern District of New York (“SDNY”) against a subsidiary of JHG, Janus Index & Calculation Services LLC, which, effective January 1, 2019, was renamed Janus Henderson Indices LLC (“Janus Indices”), on behalf of a class consisting of investors who purchased VelocityShares Daily Inverse VIX Short-Term ETN (Ticker: XIV) between January 29, 2018, and February 5, 2018 (*Eisenberg v. Credit Suisse AG and Janus Indices*). Credit Suisse AG (“Credit Suisse”), the issuer of the XIV notes, is also named as a defendant in the lawsuit. The plaintiffs generally allege statements by Credit Suisse and Janus Indices, including those in the registration statement, were materially false and misleading based on its discussion of how the intraday indicative value (“IIV”) is calculated and that the IIV was not an accurate gauge of the economic value of the notes.

On May 4, 2018, an additional class action lawsuit was filed on behalf of investors who purchased XIV between January 29, 2018, and February 5, 2018, against Janus Indices and Credit Suisse in the SDNY (*Qiu v. Credit Suisse AG and Janus Indices*). The *Qiu* allegations generally copy the allegations in the *Eisenberg* case.

On August 20, 2018, an amended complaint was filed in the *Eisenberg* and *Qiu* cases (which have been consolidated in the SDNY under the name *Set Capital LLC, et al. v. Credit Suisse AG, et al.*), adding Janus Distributors LLC, doing business as Janus Henderson Distributors, and Janus Henderson Group plc as parties, and adding allegations of market manipulation by all of the defendants. The Janus Henderson Group plc and Credit Suisse defendants moved to dismiss the *Set Capital* amended complaint, and on September 25, 2019, the court dismissed all claims against all defendants. The court denied the plaintiffs’ request for an opportunity to further amend their complaint, and therefore dismissed the case in its entirety. Plaintiffs thereafter filed an appeal in the U.S. Court of Appeals for the Second Circuit. On April 27, 2021, the Second Circuit issued an opinion in which it affirmed the dismissal of all claims against the Janus defendants except for one claim that it held the district court did not address, granted plaintiffs the opportunity to replead the claims as to which it affirmed dismissal, and remanded to the district court for further proceedings.

We believe the remaining claims in these ETN lawsuits are without merit and we are vigorously defending the actions. As of March 31, 2021, we cannot reasonably estimate possible losses from the remaining claims in the ETN lawsuits.

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With respect to the unaudited financial statements of Janus Henderson Group plc as of and for the three-month period ended March 31, 2021, appearing herein, PricewaterhouseCoopers LLP (United States) reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated April 29, 2021, appearing herein, states that they did not audit and they do not express an opinion on the unaudited financial statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP (United States) is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their report on the unaudited financial statements because that report is not a “report” or a “part” of the registration statement prepared or certified by PricewaterhouseCoopers LLP (United States) within the meaning of Sections 7 and 11 of the Act.



## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Janus Henderson Group plc

### ***Results of Review of Interim Financial Statements***

We have reviewed the accompanying condensed consolidated balance sheet of Janus Henderson Group plc and its subsidiaries (the "Company") as of March 31, 2021, and the related condensed consolidated statements of comprehensive income (loss), of changes in equity, and of cash flows for the three-month periods ended March 31, 2021 and 2020, including the related notes (collectively referred to as the "interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2020, and the related consolidated statements of comprehensive income, of changes in equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 24, 2021, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2020, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

### ***Basis for Review Results***

These interim financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ PricewaterhouseCoopers LLP  
Denver, Colorado  
April 29, 2021

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Forward-Looking Statements

*Certain statements in this Quarterly Report on Form 10-Q not based on historical facts are "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995, as amended, Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"). Such forward-looking statements involve known and unknown risks and uncertainties that are difficult to predict and could cause our actual results, performance or achievements to differ materially from those discussed. These include statements as to our future expectations, beliefs, plans, strategies, objectives, events, conditions, financial performance, prospects or future events. In some cases, forward-looking statements can be identified by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "will," "would" and similar words and phrases. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of the date they are made, and are not guarantees of future performance. We do not undertake any obligation to publicly update or revise these forward-looking statements.*

*Various risks, uncertainties, assumptions and factors that could cause our future results to differ materially from those expressed by the forward-looking statements included in this Quarterly Report on Form 10-Q include, but are not limited to, risks, uncertainties, assumptions and factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2020, and this Quarterly Report on Form 10-Q under headings such as "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk," and in other filings or furnishings made by the Company with the SEC from time to time.*

### Available Information

We make available free of charge our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and amendments thereto as soon as reasonably practicable after such filings have been made with the SEC. These reports may be obtained through our Investor Relations website ([ir.janushenderson.com](http://ir.janushenderson.com)) and are available in print at no charge upon request by any shareholder. The contents of our website are not incorporated herein for any purpose. The SEC also maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

Charters for the Audit Committee, Compensation Committee, Risk Committee, and Nominating and Corporate Governance Committee of our Board of Directors, as well as our Corporate Governance Guidelines, Code of Business Conduct, and Code of Ethics for Senior Financial Officers (our "Senior Officer Code") are posted on our Investor Relations website ([ir.janushenderson.com](http://ir.janushenderson.com)) and are available in print at no charge upon request by any shareholder. Within the time period prescribed by SEC and New York Stock Exchange ("NYSE") regulations, we will post on our website any amendment to our Senior Officer Code or our Code of Business Conduct and any waivers thereof for directors or executive officers. The information on our website is not incorporated by reference into this report.

### Business Overview

We are an independent global asset manager, specializing in active investment across all major asset classes. We actively manage a broad range of investment products for institutional and retail investors across five capabilities: Equities, Fixed Income, Multi-Asset, Quantitative Equities and Alternatives.

### Segment Considerations

We are a global asset manager and manage a range of investment products, operating across various product lines, distribution channels and geographic regions. However, information is reported to the chief operating decision-maker, the CEO, on an aggregated basis. Strategic and financial management decisions are determined centrally by the CEO and, on this basis, we operate as a single-segment investment management business.

## **Revenue**

Revenue primarily consists of management fees and performance fees. Management fees are generally based on a percentage of the market value of our AUM and are calculated using either the daily, month-end or quarter-end average asset balance in accordance with contractual agreements. Accordingly, fluctuations in the financial markets have a direct effect on our operating results. Additionally, our AUM may outperform or underperform the financial markets and, therefore, may fluctuate in varying degrees from that of the general market.

Performance fees are specified in certain fund and client contracts, and are based on investment performance either on an absolute basis or compared to an established index over a specified period of time. These fees are often subject to a hurdle rate. Performance fees are recognized at the end of the contractual period (typically monthly, quarterly or annually) if the stated performance criteria are achieved. Certain fund and client contracts allow for negative performance fees where there is underperformance against the relevant index.

## **FIRST QUARTER 2021 SUMMARY**

### ***First Quarter 2021 Highlights***

- Solid long-term investment performance, with 62% and 70% of our AUM outperforming relevant benchmarks on a three- and five-year basis, respectively, as of March 31, 2021.
- AUM increased to \$405.1 billion, up 0.9%, from December 31, 2020, due to positive markets, partially offset by net outflows of \$3.3 billion.
- First quarter 2021 diluted earnings per share was \$0.88, or \$0.91 on an adjusted basis. Refer to the Non-GAAP Financial Measures section below for information on adjusted non-GAAP figures.
- On April 28, 2021, the Board approved a 5.6% increase in the quarterly cash dividends and declared a \$0.38 per share dividend for the first quarter 2021.
- During the first quarter 2021, we acquired 8,053,187 shares of our common stock for \$230.2 million.

### ***Financial Summary***

Results are reported on a U.S. GAAP basis. Adjusted non-GAAP figures are presented in the Non-GAAP Financial Measures section below.

Revenue for the first quarter 2021 was \$644.0 million, an increase of \$89.1 million, or 16%, from the first quarter 2020, primarily driven by increases of \$75.3 million in management fees and \$10.5 million in shareowner servicing fees, primarily due to an increase in average AUM.

Total operating expenses for the first quarter 2021 were \$451.5 million, a decrease of \$435.8 million, or (49%), compared to operating expenses in the first quarter 2020, primarily due to a \$483.7 million decrease in intangible asset and goodwill impairment charges recognized during the first quarter of 2020. This decrease was partially offset by increases of \$19.9 million in long-term incentive plans, \$19.0 million in employee compensation and benefits, and \$15.2 million in distribution expenses during the three months ended March 31, 2021.

Operating income for the first quarter 2021 was \$192.5 million, an increase of \$524.9 million, or 158%, compared to the first quarter 2020. Our operating margin was 29.9% in the first quarter 2021 compared to (59.9%) in the first quarter 2020.

Net income attributable to JHG in the first quarter 2021 was \$155.5 million, an increase of \$402.5 million, or 163%, compared to the first quarter 2020 due to the factors impacting revenue and operating expense discussed above. In addition, investment gains (losses), net improved \$52.1 million from the first quarter 2020, primarily due to the consolidation of third-party ownership interests in seeded investment products and fair value adjustments in relation to

our seeded investment products. This increase was partially offset by an increase of \$111.9 million in our income tax provision, a decline of \$32.3 million in other non-operating income (expenses), net and a \$30.4 million decline in net loss attributable to noncontrolling interests.

### Investment Performance of Assets Under Management

The following table is a summary of investment performance as of March 31, 2021:

| Percentage of AUM outperforming benchmark | 1 year      | 3 years     | 5 years     |
|-------------------------------------------|-------------|-------------|-------------|
| Equities                                  | 55 %        | 54 %        | 69 %        |
| Fixed Income                              | 94 %        | 97 %        | 89 %        |
| Multi-Asset                               | 98 %        | 97 %        | 94 %        |
| Quantitative Equities                     | 48 %        | 4 %         | 11 %        |
| Alternatives                              | 98 %        | 97 %        | 100 %       |
| <b>Total JHG</b>                          | <b>67 %</b> | <b>62 %</b> | <b>70 %</b> |

### Assets Under Management

Our AUM as of March 31, 2021, was \$405.1 billion, an increase of \$3.5 billion, or 0.9%, from December 31, 2020, driven primarily by positive market movements of \$7.6 billion. This increase was partially offset by net redemptions of \$3.3 billion, mostly related to net outflows from the Quantitative Equities capability.

Our non-U.S. dollar (“USD”) AUM is primarily denominated in Great British pounds (“GBP”), euros (“EUR”) and Australian dollars (“AUD”). During the three months ended March 31, 2021, the USD strengthened against the EUR and the AUD, and weakened against the GBP, resulting in a \$0.8 billion decrease to our AUM. As of March 31, 2021, approximately 32% of our AUM was non-USD denominated, resulting in a net unfavorable currency effect, particularly in products exposed to GBP.

VelocityShares exchange-traded notes (“ETNs”) and certain index products are not included within our AUM because we are not the named adviser or subadviser to ETNs or index products. VelocityShares ETN assets totaled \$0.4 billion and \$0.6 billion as of March 31, 2021, and December 31, 2020, respectively. VelocityShares index product assets not included within our AUM totaled \$2.5 billion and \$2.7 billion as of March 31, 2021, and December 31, 2020, respectively.

Our AUM and flows by capability for the three months ended March 31, 2021 and 2020, were as follows (in billions):

|                       | Closing AUM<br>December 31,<br>2020 | Sales          | Redemptions <sup>(1)</sup> | Net sales<br>(redemptions) | Markets       | FX <sup>(2)</sup> | Reclassifications<br>and disposals <sup>(3)</sup> | Closing AUM<br>March 31,<br>2021 |
|-----------------------|-------------------------------------|----------------|----------------------------|----------------------------|---------------|-------------------|---------------------------------------------------|----------------------------------|
| <b>By capability</b>  |                                     |                |                            |                            |               |                   |                                                   |                                  |
| Equities              | \$ 219.4                            | \$ 10.5        | \$ (12.0)                  | \$ (1.5)                   | \$ 7.3        | \$ (0.3)          | \$ —                                              | \$ 224.9                         |
| Fixed Income          | 81.5                                | 5.9            | (5.5)                      | 0.4                        | (2.1)         | (0.3)             | —                                                 | 79.5                             |
| Multi-Asset           | 48.0                                | 3.0            | (2.2)                      | 0.8                        | 0.7           | —                 | —                                                 | 49.5                             |
| Quantitative Equities | 42.0                                | 0.2            | (2.3)                      | (2.1)                      | 1.5           | (0.1)             | —                                                 | 41.3                             |
| Alternatives          | 10.7                                | 1.1            | (2.0)                      | (0.9)                      | 0.2           | (0.1)             | —                                                 | 9.9                              |
| <b>Total</b>          | <b>\$ 401.6</b>                     | <b>\$ 20.7</b> | <b>\$ (24.0)</b>           | <b>\$ (3.3)</b>            | <b>\$ 7.6</b> | <b>\$ (0.8)</b>   | <b>\$ —</b>                                       | <b>\$ 405.1</b>                  |

|                       | Closing AUM<br>December 31,<br>2019 | Sales          | Redemptions <sup>(1)</sup> | Net sales<br>(redemptions) | Markets          | FX <sup>(2)</sup> | Reclassifications<br>and disposals <sup>(3)</sup> | Closing AUM<br>March 31,<br>2020 |
|-----------------------|-------------------------------------|----------------|----------------------------|----------------------------|------------------|-------------------|---------------------------------------------------|----------------------------------|
| <b>By capability</b>  |                                     |                |                            |                            |                  |                   |                                                   |                                  |
| Equities              | \$ 204.0                            | \$ 8.8         | \$ (15.7)                  | \$ (6.9)                   | \$ (40.3)        | \$ (2.9)          | \$ (4.0)                                          | \$ 149.9                         |
| Fixed Income          | 74.8                                | 8.0            | (11.4)                     | (3.4)                      | (2.1)            | (4.0)             | —                                                 | 65.3                             |
| Multi-Asset           | 39.8                                | 3.5            | (2.5)                      | 1.0                        | (5.0)            | (0.3)             | (0.2)                                             | 35.3                             |
| Quantitative Equities | 45.2                                | 0.4            | (2.4)                      | (2.0)                      | (8.5)            | (0.1)             | —                                                 | 34.6                             |
| Alternatives          | 11.0                                | 0.7            | (1.6)                      | (0.9)                      | (0.3)            | (0.5)             | —                                                 | 9.3                              |
| <b>Total</b>          | <b>\$ 374.8</b>                     | <b>\$ 21.4</b> | <b>\$ (33.6)</b>           | <b>\$ (12.2)</b>           | <b>\$ (56.2)</b> | <b>\$ (7.8)</b>   | <b>\$ (4.2)</b>                                   | <b>\$ 294.4</b>                  |

(1) Redemptions include the impact of client transfers, which could result in a positive balance on occasion.

(2) FX reflects movements in AUM resulting from changes in foreign currency rates as non-USD denominated AUM is translated into USD.

(3) Reclassifications relate to a reclassification of an existing fund from Equities to Alternatives, and disposals relate to the sale of Geneva.

Our AUM and flows by client type for the three months ended March 31, 2021, were as follows (in billions):

|                        | Closing AUM<br>December 31,<br>2020 | Sales          | Redemptions      | Net sales<br>(redemptions) | Markets       | FX              | Reclassifications<br>and disposals | Closing AUM<br>March 31,<br>2021 |
|------------------------|-------------------------------------|----------------|------------------|----------------------------|---------------|-----------------|------------------------------------|----------------------------------|
| <b>By client type:</b> |                                     |                |                  |                            |               |                 |                                    |                                  |
| Intermediary           | \$ 192.9                            | \$ 16.5        | \$ (15.4)        | \$ 1.1                     | \$ 4.4        | \$ (0.4)        | \$ (1.8)                           | \$ 196.2                         |
| Institutional          | 127.6                               | 3.3            | (6.8)            | (3.5)                      | 1.7           | (0.4)           | 1.8                                | 127.2                            |
| Self-directed          | 81.1                                | 0.9            | (1.8)            | (0.9)                      | 1.5           | —               | —                                  | 81.7                             |
| <b>Total</b>           | <b>\$ 401.6</b>                     | <b>\$ 20.7</b> | <b>\$ (24.0)</b> | <b>\$ (3.3)</b>            | <b>\$ 7.6</b> | <b>\$ (0.8)</b> | <b>\$ —</b>                        | <b>\$ 405.1</b>                  |

### *Average Assets Under Management*

The following table presents our average AUM by capability for the three months ended March 31, 2021 (in billions):

| By capability         | Average AUM<br>Three months ended<br>March 31, 2021 |
|-----------------------|-----------------------------------------------------|
| Equities              | \$ 223.6                                            |
| Fixed Income          | 80.9                                                |
| Multi-Asset           | 48.7                                                |
| Quantitative Equities | 41.5                                                |
| Alternatives          | 10.6                                                |
| Total                 | <u>\$ 405.3</u>                                     |

### *Closing Assets Under Management*

The following table presents the closing AUM, split by client type and client location, as of March 31, 2021 (in billions):

| By client type | Closing AUM<br>March 31, 2021 |
|----------------|-------------------------------|
| Intermediary   | \$ 196.2                      |
| Institutional  | 127.2                         |
| Self-directed  | 81.7                          |
| Total          | <u>\$ 405.1</u>               |

  

| By client location | Closing AUM<br>March 31, 2021 |
|--------------------|-------------------------------|
| North America      | \$ 223.2                      |
| EMEA and LatAm     | 125.2                         |
| Asia Pacific       | 56.7                          |
| Total              | <u>\$ 405.1</u>               |

### *Valuation of Assets Under Management*

The fair value of our AUM is based on the value of the underlying cash and investment securities of our funds, trusts and segregated mandates. A significant proportion of these securities is listed or quoted on a recognized securities exchange or market and is regularly traded thereon; these investments are valued based on unadjusted quoted market prices. Other investments, including over-the-counter ("OTC") derivative contracts (which are dealt in or through a clearing firm, exchanges or financial institutions), will be valued by reference to the most recent official settlement price quoted by the appointed market vendor, and in the event no price is available from this source, a broker quotation may be used. Physical property held is valued monthly by a specialist independent appraiser.

When a readily ascertainable market value does not exist for an investment, the fair value is calculated using a variety of methodologies, including the expected cash flows of its underlying net asset base, taking into account applicable discount rates and other factors; comparable securities or relevant indices; recent financing rounds; revenue multiples; or a combination thereof. Judgment is used to ascertain if a formerly active market has become inactive and to determine fair values when markets have become inactive. Our Fair Value Pricing Committee is responsible for determining or approving these unquoted prices, which are reported to those charged with governance of the funds and trusts. For funds that invest in markets that are closed at their valuation point, an assessment is made daily to determine whether a fair value pricing adjustment is required to the fund's valuation. This may be due to significant market movements in other correlated open markets, scheduled market closures or unscheduled market closures as a result of natural disaster or government intervention.

Third-party administrators hold a key role in the collection and validation of prices used in the valuation of the securities. Daily price validation is completed using techniques such as day-on-day tolerance movements, invariant prices, excessive movement checks and intra-vendor tolerance checks. Our data management team performs oversight of this process and completes annual due diligence on the processes of third parties.

In other cases, we and the sub-administrators perform a number of procedures to validate the pricing received from third-party providers. For actively traded equity and fixed income securities, prices are received daily from both a primary and secondary vendor. Prices from the primary and secondary vendors are compared to identify any discrepancies. In the event of a discrepancy, a price challenge may be issued to both vendors. Securities with significant day-to-day price changes require additional research, which may include a review of all news pertaining to the issue and issuer, and any corporate actions. All fixed income prices are reviewed by our fixed income trading desk to incorporate market activity information available to our traders. In the event the traders have received price indications from market makers for a particular issue, this information is transmitted to the pricing vendors.

We leverage the expertise of our fund management teams across the business to cross-invest assets and create value for our clients. Where cross investment occurs, assets and flows are identified and the duplication is removed.

## Results of Operations

### Foreign Currency Translation

Foreign currency translation impacts our Results of Operations. The translation of GBP to USD is the primary driver of foreign currency translation in expenses. The GBP strengthened against the USD during the three months ended March 31, 2021, compared to the three months ended March 31, 2020. Meaningful foreign currency translation impacts to our operating expenses are discussed in the Operating Expenses section below. Revenue is also impacted by foreign currency translation, but the impact is generally determined by the primary currency of the individual funds.

### Revenue

|                               | Three months ended<br>March 31, |                 | Three months<br>ended<br>March 31, |
|-------------------------------|---------------------------------|-----------------|------------------------------------|
|                               | 2021                            | 2020            | 2021 vs. 2020                      |
| <b>Revenue (in millions):</b> |                                 |                 |                                    |
| Management fees               | \$ 514.9                        | \$ 439.6        | 17 %                               |
| Performance fees              | 17.0                            | 14.6            | 16 %                               |
| Shareowner servicing fees     | 60.8                            | 50.3            | 21 %                               |
| Other revenue                 | 51.3                            | 50.4            | 2 %                                |
| Total revenue                 | <u>\$ 644.0</u>                 | <u>\$ 554.9</u> | 16 %                               |

### Management fees

Management fees increased by \$75.3 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020, primarily due to the impact of higher average AUM, which caused a \$65.8 million increase in management fees as well as an increase in management fee margins, which led to an additional \$11.6 million increase in management fees.

### Performance fees

Performance fees are derived across a number of product ranges. U.S. mutual fund performance fees are recognized on a monthly basis, while all other product range performance fees are recognized on a quarterly or annual basis. Performance fees by product type consisted of the following for the three months ended March 31, 2021 and 2020 (in millions):

|                                        | Three months ended<br>March 31, |                | Three months<br>ended<br>March 31,<br>2021 vs. 2020 |
|----------------------------------------|---------------------------------|----------------|-----------------------------------------------------|
|                                        | 2021                            | 2020           |                                                     |
| <b>Performance fees (in millions):</b> |                                 |                |                                                     |
| SICAVs                                 | \$ 12.4                         | \$ 0.2         | n/m *                                               |
| UK OEICs and unit trusts               | 4.0                             | 1.3            | n/m *                                               |
| Offshore absolute return funds         | 2.2                             | 4.0            | (45)%                                               |
| Segregated mandates                    | 2.3                             | 11.0           | (79)%                                               |
| U.S. mutual funds                      | (3.9)                           | (1.9)          | n/m *                                               |
| <b>Total performance fees</b>          | <b>\$ 17.0</b>                  | <b>\$ 14.6</b> | <b>16 %</b>                                         |

\* n/m - Not meaningful.

For the three months ended March 31, 2021, performance fees improved \$2.4 million compared to the three months ended March 31, 2020, primarily due to performance fee increases of \$12.2 million of fees related to SICAVs. These increases were partially offset by a decrease of \$8.7 million of performance fees from segregated mandates and a \$1.8 million decrease in offshore absolute return funds.

Performance fees associated with certain SICAV strategies are recognized annually in June. Performance in some of the SICAV strategies during the current performance fee period has been very good. While the measurement period is ongoing and second quarter 2021 performance fees are unknown, there is the potential for performance fees recognized during the second quarter of 2021 to be higher than the annual amounts recognized during the past three years.

### Shareowner servicing fees

Shareowner servicing fees are primarily composed of mutual fund servicing fees. For the three months ended March 31, 2021, shareowner servicing fees increased \$10.5 million compared to the three months ended March 31, 2020, primarily due to an increase in transfer agent servicing fees of \$5.4 million and an increase in mutual fund average AUM, which contributed a \$4.0 million increase in certain servicing fees.

### Other revenue

Other revenue is primarily composed of 12b-1 distribution fees, general administration charges, VelocityShares ETN fees and other fee revenue.

Other revenue increased by \$0.9 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020, primarily due to an increase of \$3.4 million in 12b-1 fees and servicing fees driven by an improvement in average AUM as well as a \$2.1 million increase in servicing fees due to general administration charges. These were partially offset by a \$4.5 million decrease in ETN licensing fees due to the delisting and liquidation of VelocityShares ETNs.

## Operating Expenses

|                                              | Three months ended<br>March 31, |                 | Three months<br>ended<br>March 31,<br>2021 vs. 2020 |
|----------------------------------------------|---------------------------------|-----------------|-----------------------------------------------------|
|                                              | 2021                            | 2020            |                                                     |
| <b>Operating expenses (in millions):</b>     |                                 |                 |                                                     |
| Employee compensation and benefits           | \$ 174.6                        | \$ 155.6        | 12 %                                                |
| Long-term incentive plans                    | 53.5                            | 33.6            | 59 %                                                |
| Distribution expenses                        | 127.4                           | 112.2           | 14 %                                                |
| Investment administration                    | 12.6                            | 11.7            | 8 %                                                 |
| Marketing                                    | 6.2                             | 6.7             | (7)%                                                |
| General, administrative and occupancy        | 63.0                            | 65.2            | (3)%                                                |
| Impairment of goodwill and intangible assets | 3.6                             | 487.3           | (99)%                                               |
| Depreciation and amortization                | 10.6                            | 15.0            | (29)%                                               |
| Total operating expenses                     | <u>\$ 451.5</u>                 | <u>\$ 887.3</u> | (49)%                                               |

### Employee compensation and benefits

Employee compensation and benefits increased \$19.0 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020, primarily driven by increases of \$20.1 million in variable compensation mainly due to a higher bonus pool and other variable compensation. Variable compensation including bonus pools is generally calculated as a percentage of operating income excluding incentive compensation (pre-incentive operating income) and is allocated to employees by management on a discretionary basis. Also contributing to the increase in employee compensation and benefits was unfavorable foreign currency translation of \$3.2 million, a \$1.5 million increase in salary and benefits due to higher headcount, and annual base-pay increases of \$1.3 million. These increases were partially offset by a \$7.1 million decrease in temporary staffing charges and project costs during the three months ended March 31, 2021.

### Long-term incentive plans

Long-term incentive plan expenses increased by \$19.9 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020, primarily driven by \$16.1 million in fair value adjustments related to mutual fund share awards, \$3.5 million in payroll taxes on vestings, and unfavorable foreign currency translation of \$1.5 million. These increases were partially offset by a decrease of \$1.5 million due to the roll-off of vested awards exceeding new awards during the three months ended March 31, 2021.

### Distribution expenses

Distribution expenses are paid to financial intermediaries for the distribution and servicing of our retail investment products and are typically calculated based on the amount of the intermediary-sourced AUM. Distribution expenses increased \$15.2 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020, primarily due an increase of \$16.2 million from an improvement in average AUM.

### Investment administration

Investment administration expenses, which represent back-office operations (including fund administration and fund accounting), increased by \$0.9 million during the three months ended March 31, 2021, compared to three months ended March 31, 2020, primarily due to unfavorable foreign currency translation of \$0.7 million.

### General, administrative and occupancy

General, administrative and occupancy expenses decreased by \$2.2 million during the three months ended March 31, 2021, compared to three months ended March 31, 2020, due to a decreases of \$3.6 million in travel expenses

as a result of reduced travel during the COVID-19 pandemic and \$2.7 million in consultancy fees related to certain project costs. These decreases were partially offset by unfavorable foreign currency translation of \$3.0 million and a \$0.8 million increase in software licensing costs during the three months ended March 31, 2021.

#### *Impairment of goodwill and intangible assets*

Goodwill and intangible asset impairment charges decreased by \$483.7 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020. The decrease is due to a \$487.3 million impairment of our goodwill and certain mutual fund investment management agreements and client relationships recognized during the three months ended March 31, 2020, partially offset by a \$3.6 million impairment of the Perkins brand name recognized during the three months ended March 31, 2021. During the first quarter of 2021, we completed a review of Perkins. To right-size our product portfolio and better align with the changing needs of clients, certain strategies will be closed and the funds liquidated, during the second quarter of 2021. The Perkins brand will be discontinued and future marketing efforts for value equity strategies will be incorporated under the Janus Henderson brand.

#### *Depreciation and amortization*

Depreciation and amortization expenses decreased by \$4.4 million during the three months ended March 31, 2021, compared to three months ended March 31, 2020, primarily due to a decrease in the amortization of intangible assets resulting from the sale of Geneva and the impairment of certain client relationships recognized during the three months ended March 31, 2020.

#### *Non-Operating Income and Expenses*

|                                                         | Three months ended<br>March 31, |          | Three months<br>ended<br>March 31, |
|---------------------------------------------------------|---------------------------------|----------|------------------------------------|
|                                                         | 2021                            | 2020     | 2021 vs. 2020                      |
| <b>Non-operating income and expenses (in millions):</b> |                                 |          |                                    |
| Interest expense                                        | \$ (3.2)                        | \$ (3.3) | 3 %                                |
| Investment gains (losses), net                          | 1.6                             | (50.5)   | n/m *                              |
| Other non-operating income (expenses), net              | (0.1)                           | 32.2     | n/m *                              |
| Income tax benefit (provision)                          | (43.1)                          | 68.8     | n/m *                              |

\* n/m - Not meaningful.

*Investment gains (losses), net*

The components of investment gains (losses), net for the three months ended March 31, 2021 and 2020, were as follows (in millions):

|                                                               | Three months ended<br>March 31, |                  | Three months<br>ended<br>March 31,<br>2021 vs. 2020 |
|---------------------------------------------------------------|---------------------------------|------------------|-----------------------------------------------------|
|                                                               | 2021                            | 2020             |                                                     |
| <b>Investment gains (losses), net (in millions):</b>          |                                 |                  |                                                     |
| Seeded investment products and hedges, net                    | \$ 5.6                          | \$ (5.1)         | n/m *                                               |
| Third-party ownership interests in seeded investment products | (8.0)                           | (38.4)           | 79 %                                                |
| Long Tail Alpha equity method investment                      | 2.1                             | 1.3              | 62 %                                                |
| Deferred equity plan                                          | 1.9                             | (7.3)            | n/m *                                               |
| Other                                                         | —                               | (1.0)            | n/m *                                               |
| Investment gains (losses), net                                | <u>\$ 1.6</u>                   | <u>\$ (50.5)</u> | n/m *                                               |

\* n/m - Not meaningful.

Investment gains (losses), net moved favorably by \$52.1 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020, primarily due to fair value adjustments in relation to our seeded investment products and deferred equity plan, and consolidation of third-party ownership interests in seeded investment products.

*Other non-operating income (expenses), net*

Other non-operating income (expenses), net declined \$32.3 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020. The decrease was primarily due to a \$17.4 million gain and \$7.1 million contingent consideration adjustment in relation to the sale of Geneva recognized during the three months ended March 31, 2020, and \$7.2 million of unfavorable foreign currency translation recognized during the three months ended March 31, 2021.

*Income tax benefit (provision)*

Our effective tax rates for the three months ended March 31, 2021 and 2020, were as follows:

|                    | Three months ended<br>March 31, |        |
|--------------------|---------------------------------|--------|
|                    | 2021                            | 2020   |
| Effective tax rate | 22.6 %                          | 19.4 % |

The effective tax rate for the three months ended March 31, 2021, compared to the three months ended March 31, 2020, was impacted by the tax windfall related to equity compensation plans which resulted in a decrease in the effective tax rate for the first quarter of 2021. In addition, there were significant impairments of intangible assets and goodwill in the first quarter of 2020, which contributed to a pre-tax book loss in the first quarter of 2020. The majority of the impairment charges were related to temporary differences which adjusted deferred income taxes and did not have a direct impact on the effective tax rate.

### Net loss attributable to noncontrolling interests

The components of net loss attributable to noncontrolling interests for the three months ended March 31, 2021 and 2020, were as follows (in millions):

|                                                                             | Three months ended<br>March 31, |                | Three months<br>ended<br>March 31,<br>2021 vs. 2020 |
|-----------------------------------------------------------------------------|---------------------------------|----------------|-----------------------------------------------------|
|                                                                             | 2021                            | 2020           |                                                     |
| <b>Net loss attributable to noncontrolling interests<br/>(in millions):</b> |                                 |                |                                                     |
| Consolidated seeded investment products                                     | \$ 8.0                          | \$ 38.4        | (79)%                                               |
| Majority-owned subsidiaries                                                 | (0.2)                           | (0.2)          | — %                                                 |
| Total net loss attributable to noncontrolling interests                     | <u>\$ 7.8</u>                   | <u>\$ 38.2</u> | (80)%                                               |

Net loss (income) attributable to noncontrolling interests declined by \$30.4 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020. The decreases were primarily due to third-party ownership interests in consolidated seeded investment products and fair value adjustments in relation to our seeded investment products.

### 2021 Operating Expenses

The 2021 expectation for non-compensation operating expenses growth remains unchanged and is expected to be in the mid-single digits. The expectation for full year 2021 adjusted compensation to revenue ratio also remains unchanged and we still anticipate a range of 40%-42%.

### Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, JHG management evaluates our profitability and our ongoing operations using additional non-GAAP financial measures. 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. Management uses these performance measures to evaluate the business, and adjusted values are consistent with internal management reporting. We have provided a reconciliation below of our non-GAAP financial measures to the most directly comparable GAAP measures.

# Alternative performance measures

The following is a reconciliation of 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, respectively, for the three months ended March 31, 2021 and 2020 (in millions, except per share and operating margin data):

|                                                                                                           | Three months ended<br>March 31,<br>2021 | Three months ended<br>March 31,<br>2020 |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Reconciliation of revenue to adjusted revenue</b>                                                      |                                         |                                         |
| Revenue                                                                                                   | \$ 644.0                                | \$ 554.9                                |
| Management fees                                                                                           | (46.8)                                  | (44.1)                                  |
| Shareowner servicing fees                                                                                 | (50.0)                                  | (41.1)                                  |
| Other revenue                                                                                             | (30.6)                                  | (27.0)                                  |
| Adjusted revenue <sup>(1)</sup>                                                                           | \$ 516.6                                | \$ 442.7                                |
| <b>Reconciliation of operating expenses to adjusted operating expenses</b>                                |                                         |                                         |
| Operating expenses                                                                                        | \$ 451.5                                | \$ 887.3                                |
| Employee compensation and benefits <sup>(2)</sup>                                                         | —                                       | (1.4)                                   |
| Long-term incentive plans <sup>(2)</sup>                                                                  | 0.1                                     | 0.1                                     |
| Distribution expenses <sup>(1)</sup>                                                                      | (127.4)                                 | (112.2)                                 |
| General, administrative and occupancy <sup>(2)</sup>                                                      | (3.6)                                   | (1.9)                                   |
| Impairment of goodwill and intangible assets <sup>(3)</sup>                                               | (3.6)                                   | (487.3)                                 |
| Depreciation and amortization <sup>(3)</sup>                                                              | (1.9)                                   | (6.4)                                   |
| Adjusted operating expenses                                                                               | \$ 315.1                                | \$ 278.2                                |
| Adjusted operating income                                                                                 | 201.5                                   | 164.5                                   |
| Operating margin <sup>(4)</sup>                                                                           | 29.9%                                   | (59.9)%                                 |
| Adjusted operating margin <sup>(5)</sup>                                                                  | 39.0%                                   | 37.2%                                   |
| <b>Reconciliation of net income (loss) attributable to JHG to adjusted net income attributable to JHG</b> |                                         |                                         |
| Net income (loss) attributable to JHG                                                                     | \$ 155.5                                | \$ (247.0)                              |
| Employee compensation and benefits <sup>(2)</sup>                                                         | —                                       | 1.4                                     |
| Long-term incentive plans <sup>(2)</sup>                                                                  | (0.1)                                   | (0.1)                                   |
| General, administrative and occupancy <sup>(2)</sup>                                                      | 3.6                                     | 1.9                                     |
| Impairment of goodwill and intangible assets <sup>(3)</sup>                                               | 3.6                                     | 487.3                                   |
| Depreciation and amortization <sup>(3)</sup>                                                              | 1.9                                     | 6.4                                     |
| Interest expense <sup>(6)</sup>                                                                           | —                                       | 0.1                                     |
| Investment gains (losses), net <sup>(6)</sup>                                                             | 0.2                                     | —                                       |
| Other non-operating income (expenses), net <sup>(6)</sup>                                                 | (1.8)                                   | (25.9)                                  |
| Income tax provision <sup>(7)</sup>                                                                       | (1.4)                                   | (111.4)                                 |
| Adjusted net income attributable to JHG                                                                   | 161.5                                   | 112.7                                   |
| Less: allocation of earnings to participating stock-based awards                                          | (5.0)                                   | (3.2)                                   |
| Adjusted net income attributable to JHG common shareholders                                               | \$ 156.5                                | \$ 109.5                                |
| Weighted-average common shares outstanding — diluted (two class)                                          | 171.8                                   | 182.4                                   |
| Diluted earnings (loss) per share (two class) <sup>(8)</sup>                                              | \$ 0.88                                 | \$ (1.35)                               |
| Adjusted diluted earnings per share (two class) <sup>(9)</sup>                                            | \$ 0.91                                 | \$ 0.60                                 |

(1) We contract with third-party intermediaries to distribute and service certain of our 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 us and passed through to third-party intermediaries who are responsible for performing the applicable services. The majority of distribution and servicing fees we collect are passed through to third-party intermediaries. JHG management believes that the deduction of distribution and servicing fees from revenue in the computation of adjusted revenue reflects the pass-through nature of these revenues. In certain arrangements, we perform the distribution and servicing activities and retain the applicable fee. Revenues for distribution and servicing activities performed by us are not deducted from GAAP revenue.

- (2) Adjustments primarily represent rent expense for subleased office space as well as administrative costs related to Dai-ichi Life's secondary offering (refer to Part II, Item 2. for details). JHG management believes these costs do not represent our ongoing operations.
- (3) 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. Adjustments also include impairment charges of our goodwill and certain mutual fund investment management agreements, client relationships and trademarks. JHG management believes these non-cash and acquisition-related costs are not representative of our ongoing operations.
- (4) Operating margin is operating income divided by revenue.
- (5) Adjusted operating margin is adjusted operating income divided by adjusted revenue.
- (6) 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 our ongoing operations.
- (7) The tax impact of the adjustments is calculated based on the applicable U.S. or foreign statutory tax rate as it relates to each adjustment. Certain adjustments are either not taxable or not tax-deductible.
- (8) Diluted earnings per share is net income attributable to JHG common shareholders divided by weighted-average diluted common shares outstanding.
- (9) Adjusted diluted earnings per share is adjusted net income attributable to JHG common shareholders divided by weighted-average diluted common shares outstanding.

#### LIQUIDITY AND CAPITAL RESOURCES

Our capital structure, together with available cash balances, cash flows generated from operations, and further capital and credit market activities, if necessary, should provide us with sufficient resources to meet present and future cash needs, including operating and other obligations as they fall due and anticipated future capital requirements.

The following table summarizes key balance sheet data relating to our liquidity and capital resources as of March 31, 2021, and December 31, 2020 (in millions):

|                                               | March 31,<br>2021 | December 31,<br>2020 |
|-----------------------------------------------|-------------------|----------------------|
| Cash and cash equivalents held by the Company | \$ 824.0          | \$ 1,096.9           |
| Investment securities held by the Company     | \$ 224.1          | \$ 238.8             |
| Fees and other receivables                    | \$ 366.5          | \$ 373.6             |
| Debt                                          | \$ 312.6          | \$ 313.3             |

Cash and cash equivalents consist primarily of cash at banks and in money market funds. Cash and cash equivalents and investment securities held by consolidated VIEs and VREs are not available for general corporate purposes and have been excluded from the table above.

Investment securities held by us represent seeded investment products (exclusive of investments held by consolidated VIEs and VREs), investments related to deferred compensation plans and other less significant investments.

We believe that existing cash and cash from operations should be sufficient to satisfy our short-term capital requirements. Expected short-term uses of cash include ordinary operating expenditures, seed capital investments, interest expense, dividend payments, income tax payments and common stock repurchases. We may also use available cash for other general corporate purposes and acquisitions.

### **Regulatory Capital**

We are subject to regulatory oversight by the SEC, the Financial Industry Regulatory Authority (“FINRA”), the U.S. Commodity Futures Trading Commission (“CFTC”), the Financial Conduct Authority (“FCA”) and other international regulatory bodies. We strive to ensure that we are compliant with our regulatory obligations at all times. Our primary capital requirement relates to the FCA-supervised regulatory group (a sub-group of our company), comprising Henderson Group Holdings Asset Management Limited, all of its subsidiaries and Janus Capital International Limited (“JCIL”). JCIL is included to meet the requirements of certain regulations under the Banking Consolidation Directive. The combined capital requirement is £327.1 million (\$451.3 million), resulting in £177.9 million (\$245.4 million) of capital above the requirement as of March 31, 2021, based on internal calculations. Capital requirements in other jurisdictions are not significant.

### **Short-Term Liquidity and Capital Resources**

#### *Common Stock Repurchases*

On February 3, 2020, the Board approved a new on-market share buyback program pursuant to which we were authorized to repurchase up to \$200 million of our common stock on the NYSE and CHES Depository Interests (“CDIs”) on the Australian Securities Exchange (“ASX”) at any time prior to the date of our 2021 Annual General Meeting (the “Corporate Buyback Program”). We commenced repurchases under the Corporate Buyback Program in March 2020 and during the first quarter of 2021, we repurchased 4,827 shares of our common stock and CDIs for \$0.2 million related to the Corporate Buyback Program. We terminated the Corporate Buyback Program on February 9, 2021, following completion of the Block Repurchase described below.

On February 4, 2021, Dai-ichi Life announced its intention to sell all 30,668,922 shares of JHG common stock it owned by means of a registered secondary public offering. On February 9, 2021, Dai-ichi Life completed the secondary offering and as part of the offering, we repurchased 8,048,360 shares of common stock from Dai-ichi Life (the “Block Repurchase”) of approximately \$230.0 million through Goldman Sachs & Co. LLC (“as underwriter”) at the price at which the shares of common stock were sold to the public in the secondary offering, less the underwriting discount. The Block Repurchase was authorized by the Board and is distinct from the Corporate Buyback Program. As a result of the completion of the secondary offering, Dai-ichi Life no longer owns any shares of JHG common stock. We did not receive any proceeds from Dai-ichi Life’s sale of common stock in the secondary offering.

Some of our executives and employees obtain rights to receive our common stock as part of their remuneration arrangements and employee entitlements. We usually satisfy these entitlements by transferring shares of common stock that we repurchase on-market for this purpose. We purchased 2,110,920 shares at an average price of \$29.85 in satisfaction of employee awards and entitlements during the three months ended March 31, 2021.

#### *Dividends*

The payment of cash dividends is within the discretion of our Board of Directors and depends on many factors, including our results of operations, financial condition, capital requirements, general business conditions and legal requirements.

Dividends declared and paid during the three months ended March 31, 2021, were as follows:

| Dividend<br>per share | Date<br>declared | Dividends paid<br>(in US\$ millions) | Date<br>paid  |
|-----------------------|------------------|--------------------------------------|---------------|
| \$ 0.36               | February 3, 2021 | \$ 61.7                              | March 3, 2021 |

On April 28, 2021, our Board of Directors declared a cash dividend of \$0.38 per share. The quarterly dividend will be paid on May 27, 2021, to shareholders of record at the close of business on May 11, 2021.

#### ***Long-Term Liquidity and Capital Resources***

Expected long-term commitments as of March 31, 2021, include principal and interest payments related to the 2025 Senior Notes, operating and finance lease payments, Intech senior profits interests awards, Intech appreciation rights and phantom interests, and Intech noncontrolling interests. We expect to fund our long-term commitments with existing cash and cash generated from operations or by accessing capital and credit markets as necessary.

##### ***2025 Senior Notes***

The 2025 Senior Notes have a principal amount of \$300.0 million, pay interest at 4.875% semiannually on February 1 and August 1 of each year, and mature on August 1, 2025.

##### ***Intech***

Intech has granted long-term incentive awards to retain and incentivize employees. The awards consist of appreciation rights, profits interests and phantom interests, and are designed to give recipients an equity-like stake in Intech. The grant date fair value of the appreciation rights is amortized using a graded basis over the 10-year vesting period. The awards are exercisable upon termination of employment from Intech to the extent vested. The profits interests and phantom interests awards entitle recipients to 9.1% of Intech's pre-incentive profits.

##### ***Defined Benefit Pension Plan***

The latest triennial valuation of our defined benefit pension plan resulted in a surplus of \$16.6 million.

##### ***Off-Balance Sheet Arrangements***

We are not party to any off-balance sheet arrangements that may provide, or require us to provide, financing, liquidity, market or credit risk support that are not reflected in our condensed consolidated financial statements.

##### ***Other Sources of Liquidity***

At March 31, 2021, we had a \$200 million Credit Facility. The Credit Facility includes an option for us to request an increase to our borrowing capacity under the Credit Facility of up to an additional \$50.0 million. The maturity date of the Credit Facility is February 16, 2024.

The Credit Facility may be used for general corporate purposes and bears interest on borrowings outstanding at the relevant interbank offer rate plus a spread.

The Credit Facility contains a financial covenant with respect to leverage. The financing leverage ratio cannot exceed 3.00x EBITDA. At the latest practicable date before the date of this report, we were in compliance with all covenants and there were no outstanding borrowings under the Credit Facility.

## Cash Flows

Cash flow data for the three months ended March 31, 2021 and 2020, was as follows (in millions):

|                                                              | Three months ended<br>March 31, |                 |
|--------------------------------------------------------------|---------------------------------|-----------------|
|                                                              | 2021                            | 2020            |
| Cash flows provided by (used for):                           |                                 |                 |
| Operating activities                                         | \$ 25.8                         | \$ 37.9         |
| Investing activities                                         | 23.4                            | 41.8            |
| Financing activities                                         | (322.5)                         | (46.0)          |
| Effect of exchange rate changes on cash and cash equivalents | 1.8                             | (28.0)          |
| Net change in cash and cash equivalents                      | (271.5)                         | 5.7             |
| Cash balance at beginning of period                          | 1,108.1                         | 796.5           |
| Cash balance at end of period                                | <u>\$ 836.6</u>                 | <u>\$ 802.2</u> |

### Operating Activities

Fluctuations in operating cash flows are attributable to changes in net income and working capital items, which can vary from period to period based on the amount and timing of cash receipts and payments.

### Investing Activities

Cash provided by investing activities for the three months ended March 31, 2021 and 2020, was as follows (in millions):

|                                                                                    | Three months ended<br>March 31, |                |
|------------------------------------------------------------------------------------|---------------------------------|----------------|
|                                                                                    | 2021                            | 2020           |
| Sales of investment securities, net                                                | \$ 51.4                         | \$ 98.3        |
| Purchases of investment securities by consolidated seeded investment products, net | (28.1)                          | (105.3)        |
| Purchase of property, equipment and software                                       | (1.6)                           | (8.2)          |
| Proceeds from sale of Geneva                                                       | —                               | 38.6           |
| Cash received (paid) on settled hedges, net                                        | (1.8)                           | 17.9           |
| Other                                                                              | 3.5                             | 0.5            |
| Cash provided by investing activities                                              | <u>\$ 23.4</u>                  | <u>\$ 41.8</u> |

Cash inflows from investing activities were \$23.4 million and \$41.8 million during the three months ended March 31, 2021 and 2020, respectively. Cash inflows from investing activities during the three months ended March 31, 2021, were primarily due to net sales of investment securities, partially offset by net purchases of investment securities by consolidated seeded investment products. When comparing the three months ended March 31, 2021, to the three months ended March 31, 2020, the change in cash provided by investing activities was primarily due to a decrease in purchases of investment securities by consolidated seeded investment products, a decrease in cash received from sales of investment securities, and net cash paid to settle hedges related to our seed capital hedge program, partially offset by proceeds from the sale of Geneva in March 2020.

## Financing Activities

Cash used for financing activities for the three months ended March 31, 2021 and 2020, was as follows (in millions):

|                                                                   | Three months ended<br>March 31, |                  |
|-------------------------------------------------------------------|---------------------------------|------------------|
|                                                                   | 2021                            | 2020             |
| Dividends paid to shareholders                                    | \$ (61.7)                       | \$ (66.2)        |
| Third-party sales in consolidated seeded investment products, net | 30.2                            | 105.3            |
| Purchase of common stock for stock-based compensation plans       | (61.5)                          | (39.8)           |
| Purchase of common stock from Dai-ichi and share buyback program  | (230.2)                         | (31.2)           |
| Payment of contingent consideration                               | —                               | (13.8)           |
| Proceeds from stock-based compensation plans                      | 0.8                             | —                |
| Other                                                             | (0.1)                           | (0.3)            |
| Cash used for financing activities                                | <u>\$ (322.5)</u>               | <u>\$ (46.0)</u> |

Cash outflows from financing activities were \$322.5 million and \$46.0 million during the three months ended March 31, 2021 and 2020, respectively. Cash outflows from financing activities during the three months ended March 31, 2021, were primarily due to the purchase of common stock from Dai-ichi Life, the share buyback program and stock-based compensation plans, partially offset by net sales in consolidated seeded investment products. When comparing the three months ended March 31, 2021, to the three months ended March 31, 2020, the change in cash used for financing activities was primarily due to the purchase of common stock from Dai-ichi Life and the purchase of common stock for stock-based compensation plans, partially offset by net sales in consolidated seeded investment products.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes in our exposure to market risks from that previously reported in our Annual Report on Form 10-K for the year ended December 31, 2020.

### Item 4. Controls and Procedures

As of March 31, 2021, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Disclosure controls and procedures are designed by us to ensure that we record, process, summarize and report within the time periods specified in the SEC's rule and forms the information we must disclose in reports that we file with or submit to the SEC. Richard M. Weil, CEO, and Roger Thompson, Chief Financial Officer, reviewed and participated in management's evaluation of the disclosure controls and procedures. Based on this evaluation, Mr. Weil and Mr. Thompson concluded that as of the date of their evaluation, our disclosure controls and procedures were effective.

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the first quarter of 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings

See Part I, Item 1. Financial Statements, Note 14 — Commitments and Contingencies.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

### Common Stock Purchases

On February 3, 2020, the Board approved the Corporate Buyback Program, on-market share buyback program pursuant to which we were authorized to repurchase up to \$200 million of our common stock on the NYSE and CDIs on the ASX at any time prior to the date of our 2021 Annual General Meeting. We commenced repurchases under the Corporate Buyback Program in March 2020 and, during the first quarter of 2021, we repurchased 4,827 shares of our common stock and CDIs for \$0.2 million related to the Corporate Buyback Program. We terminated the Corporate Buyback Program on February 9, 2021, following completion of the Block Repurchase described below.

On February 4, 2021, Dai-ichi Life announced its intention to sell all 30,668,922 shares of JHG common stock it owned by means of a registered secondary public offering. On February 9, 2021, Dai-ichi Life completed the secondary offering and as part of the offering, we repurchased 8,048,360 shares of common stock from Dai-ichi Life the Block Repurchase for approximately \$230.0 million through Goldman Sachs & Co. LLC as underwriter at the price at which the shares of common stock were sold to the public in the secondary offering, less the underwriting discount. The Block Repurchase was authorized by the Board and is distinct from the Corporate Buyback Program. As a result of the completion of the secondary offering, Dai-ichi Life no longer owns any shares of JHG common stock. We did not receive any proceeds from Dai-ichi Life's sale of common stock in the secondary offering.

Some of our executives and employees obtain rights to receive our common stock as part of their remuneration arrangements and employee entitlements. We usually satisfy these entitlements by transferring shares of existing common stock that we repurchase on-market for this purpose ("Share Plans Repurchases"). During the first quarter 2021, we purchased 2,110,920 shares on-market for \$63.0 million in satisfaction of employee awards and entitlements.

The following is a summary of our common stock repurchases by month during the three months ended March 31, 2021, including repurchases under the Corporate Buyback Program and Share Plans Repurchases.

| Period                                      | Total number of shares purchased | Average price paid per share | Total number of shares purchased as part of publicly announced programs | Approximate U.S. dollar value of shares that may yet be purchased under the programs (end of month, in millions) |
|---------------------------------------------|----------------------------------|------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| January 1, 2021, through January 31, 2021   | 2,479                            | \$ 32.14                     | —                                                                       | \$ 69                                                                                                            |
| February 1, 2021, through February 28, 2021 | 9,819,360                        | 28.80                        | 4,827                                                                   | \$ —                                                                                                             |
| March 1, 2021, through March 31, 2021       | 342,268                          | 30.12                        | —                                                                       | \$ —                                                                                                             |
| <b>Total</b>                                | <b>10,164,107</b>                | <b>\$ 28.84</b>              | <b>4,827</b>                                                            |                                                                                                                  |

### Items 3, 4 and 5.

Not applicable.

**Item 6. Exhibits*****Filed with this Report:***

| <b>Exhibit<br/>No.</b> | <b>Document</b>                                                                                                                                                                                   | <b>Regulation S-K<br/>Item 601(b)<br/>Exhibit No.</b> |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 15.1                   | <a href="#">Letter regarding unaudited interim financial information</a>                                                                                                                          | 15                                                    |
| 31.1                   | <a href="#">Certification of Richard M. Weil, Chief Executive Officer of Registrant</a>                                                                                                           | 31                                                    |
| 31.2                   | <a href="#">Certification of Roger Thompson, Chief Financial Officer of Registrant</a>                                                                                                            | 31                                                    |
| 32.1                   | <a href="#">Certification of Richard M. Weil, Chief Executive Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> | 32                                                    |
| 32.2                   | <a href="#">Certification of Roger Thompson, Chief Financial Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>  | 32                                                    |
| 101.INS                | XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document                                    | 101                                                   |
| 101.SCH                | XBRL Taxonomy Extension Schema Document                                                                                                                                                           | 101                                                   |
| 101.CAL                | XBRL Taxonomy Extension Calculation Linkbase Document                                                                                                                                             | 101                                                   |
| 101.DEF                | XBRL Taxonomy Extension Definition Linkbase Document                                                                                                                                              | 101                                                   |
| 101.LAB                | XBRL Taxonomy Extension Label Linkbase Document                                                                                                                                                   | 101                                                   |
| 101.PRE                | XBRL Taxonomy Extension Presentation Linkbase Document                                                                                                                                            | 101                                                   |
| 104                    | Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document)                                                                                              | 104                                                   |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 29, 2021

Janus Henderson Group plc

/s/ Richard Weil

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Richard Weil,  
Director and Chief Executive Officer  
(Principal Executive Officer)

/s/ Roger Thompson

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Roger Thompson,  
Chief Financial Officer  
(Principal Financial Officer)

/s/ Brennan Hughes

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Brennan Hughes,  
Chief Accounting Officer and Treasurer  
(Principal Accounting Officer)



April 29, 2021

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We are aware that our report dated April 29, 2021 on our review of interim financial information of Janus Henderson Group plc, which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (No. 333-252714) and Form S-8 (Nos. 333-218365 and 333-236685) of Janus Henderson Group plc.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Denver, CO

*PricewaterhouseCoopers LLP, 1900 16th Street, Denver, CO 80202*  
*T: (720) 931 7000, F: (720) 931 7100, [www.pwc.com/us](http://www.pwc.com/us)*

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## CERTIFICATION

I, Richard Weil, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Janus Henderson Group plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Richard Weil  
Richard Weil  
Chief Executive Officer

Date: April 29, 2021

A signed original of this written statement required by Section 302 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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# CERTIFICATION

I, Roger Thompson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Janus Henderson Group plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Roger Thompson  
 Roger Thompson  
 Chief Financial Officer

Date: April 29, 2021

A signed original of this written statement required by Section 302 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Janus Henderson Group plc on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "report"), I, Richard Weil, Chief Executive Officer of Janus Henderson Group plc, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Janus Henderson Group plc.

/s/ Richard Weil

Richard Weil  
Chief Executive Officer

Date: April 29, 2021

A signed original of this written statement required by Section 906 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Janus Henderson Group plc on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "report"), I, Roger Thompson, Chief Financial Officer of Janus Henderson Group plc, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Janus Henderson Group plc.

/s/ Roger Thompson

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Roger Thompson  
Chief Financial Officer

Date: April 29, 2021

A signed original of this written statement required by Section 906 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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