

## Henderson Group plc Australian Roadshow Presentation

8 September 2015

The presentation included below was given today at analyst and investor meetings as part of this week's Australian investor roadshow. The presentation will shortly be available on the Henderson Group website.

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### About Henderson

Henderson is an independent global asset manager, specialising in active investment. Named after its first client and founded in 1934, Henderson is a client-focused global business with over 900 employees worldwide and assets under management of £82.1bn (30 June 2015). Its core areas of investment expertise are European equities, global equities, global fixed income, multi-asset and alternatives.

Henderson is dual-listed on the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE) and has a market capitalisation of approximately £2.8bn (4 September 2015).

Further information can be found at [www.henderson.com/ir](http://www.henderson.com/ir).

## **Forward-looking statements and other important information**

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

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

# Henderson Global Investors

## Analyst Briefing

September 2015

**Roger Thompson**  
Chief Financial Officer

**Miriam McKay**  
Head of Investor Relations



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# 1H15 highlights

- ✓ Strong investment performance
- ✓ Net inflows of £5.6bn
- ✓ AUM increased to £82.1bn
- ✓ Increased underlying profit and EPS
- ✓ Share buyback launched to deploy excess capital for shareholder benefit

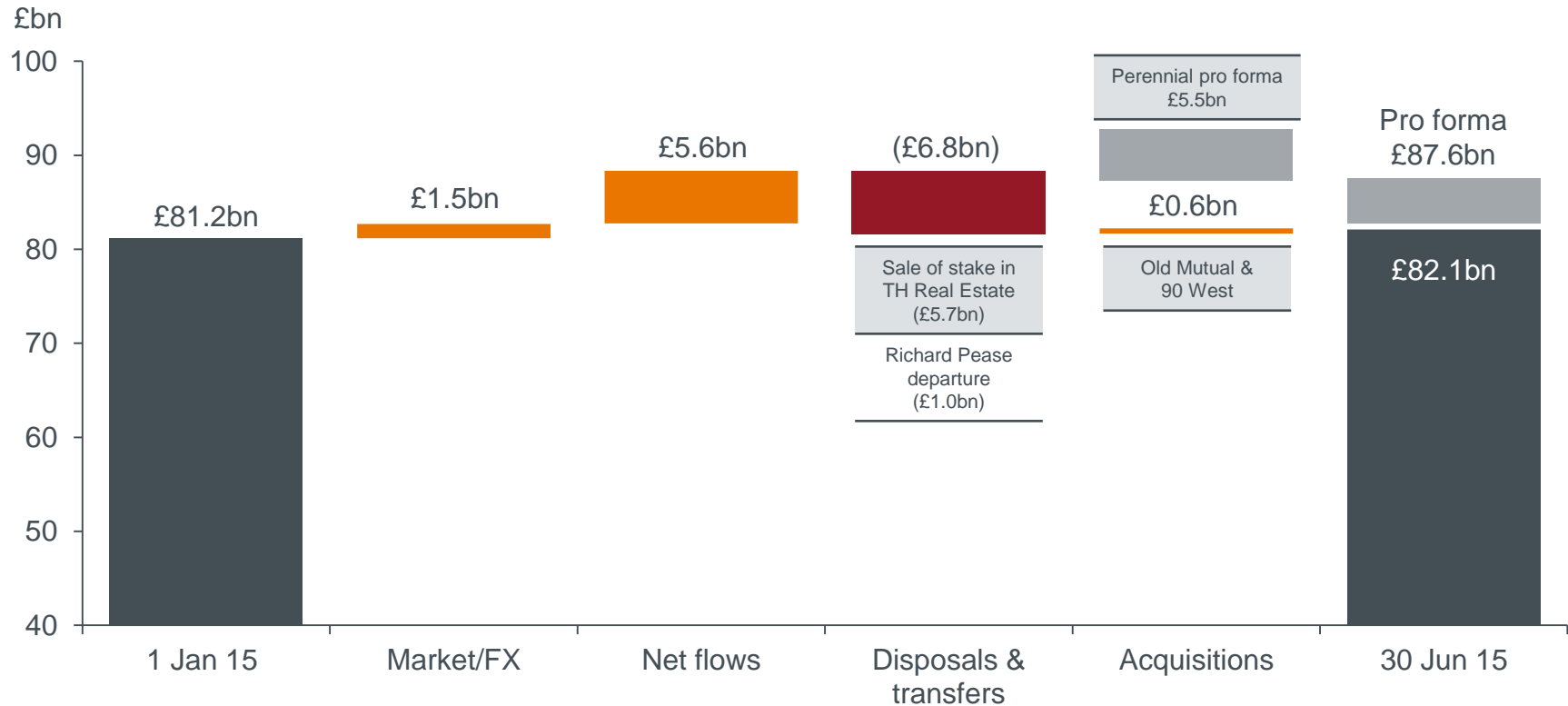
	1H15	1H14	Change
3 year investment performance <sup>1</sup>	83%	86%	—
Net flows	£5.6bn	£5.0bn	↑
Total AUM	£82.1bn	£74.7bn	↑
Underlying PBT <sup>2</sup>	£117.4m	£90.7m	↑
Underlying diluted EPS <sup>2</sup>	8.9p	6.8p	↑
Interim dividend per share	3.10p	2.60p	↑

<sup>1</sup> Percentage of funds, asset-weighted, outperforming relevant metric.

<sup>2</sup> Based on continuing operations.

# 1H15 AUM movements

Volatile markets; strong flows; business re-shaped



# Consistently strong investment performance

83% of funds outperformed over three years

Core capabilities	AUM <sup>2</sup>	1 year <sup>1,2</sup>	3 years <sup>1,2</sup>
European Equities	£18.2bn	90%	91%
Global Equities	£26.0bn	79%	69%
Global Fixed Income	£20.6bn	54%	80%
Multi-Asset	£5.1bn	70%	93%
Alternatives	£12.2bn	87%	100%
<b>Total</b>	<b>£82.1bn</b>	<b>76%</b>	<b>83%</b>

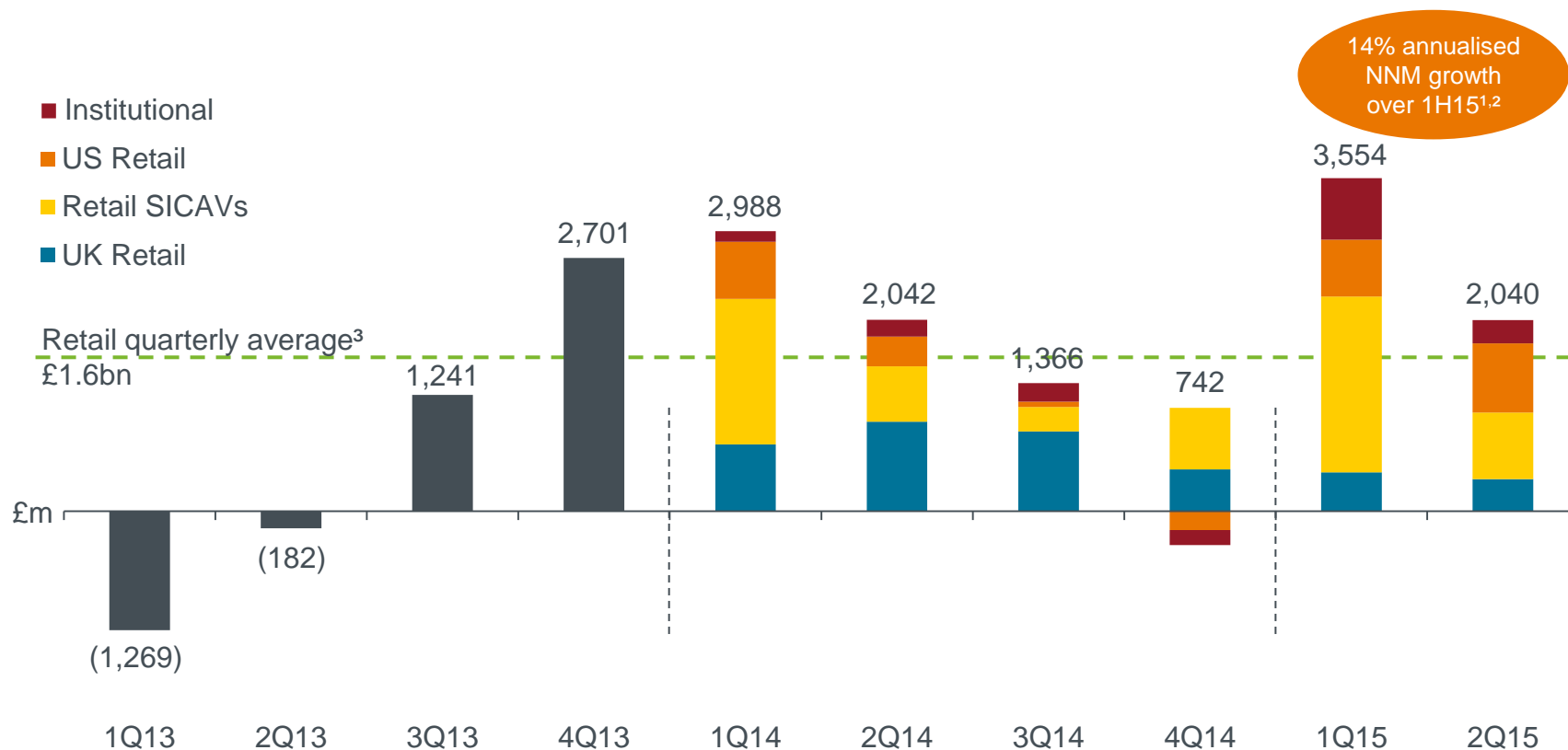
● 1<sup>st</sup> quartile/outperform/positive ● 2<sup>nd</sup> quartile ● 3<sup>rd</sup> quartile ● 4<sup>th</sup> quartile/underperform/negative

<sup>1</sup> Percentage of funds, asset-weighted, that are outperforming based on the relevant metric: peer quartile ranking for Retail, positive for absolute return, positive versus benchmark for institutional.

<sup>2</sup> Data as at 30 Jun 15.

# Henderson net client flows

1H15 annualised net new money growth ahead of 6-8% target

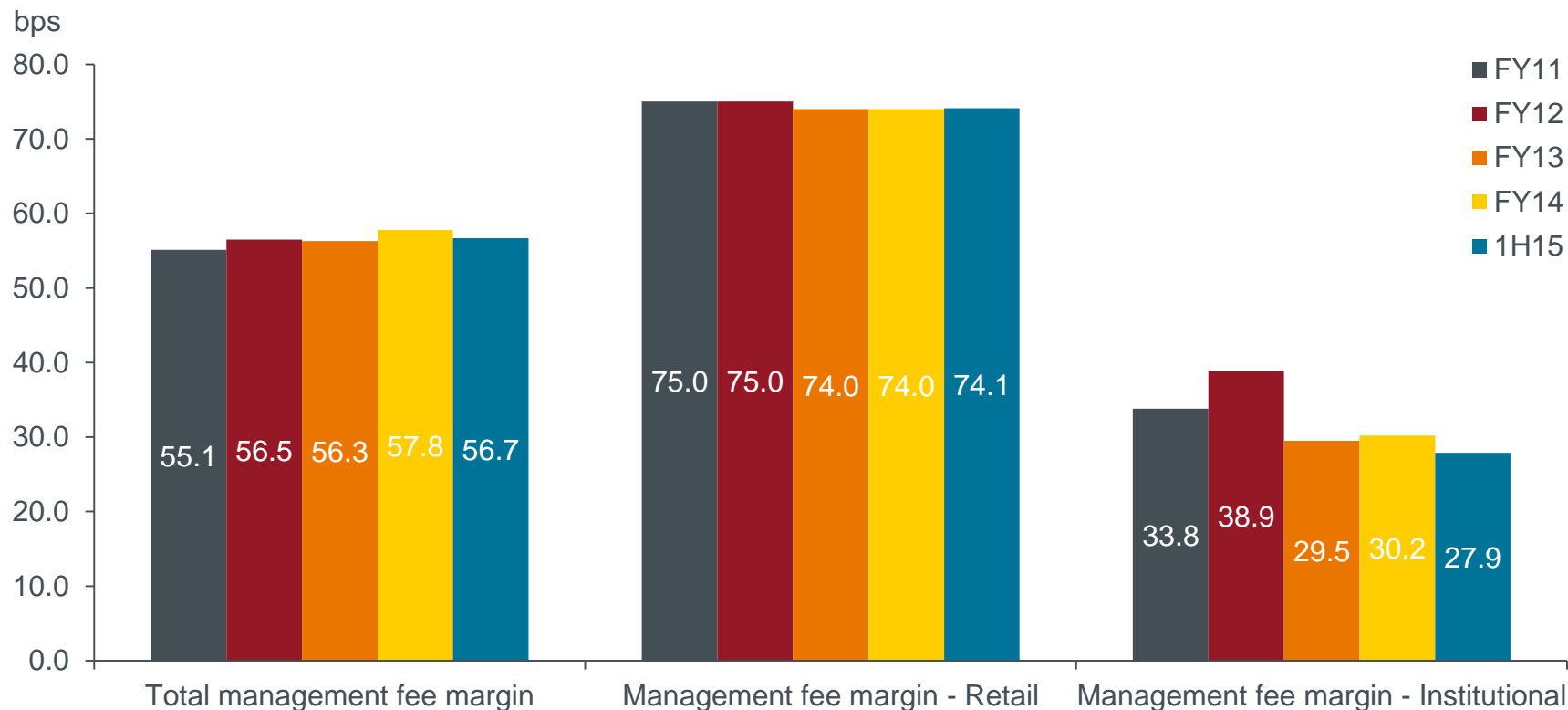


<sup>1</sup> Net new money (NNM) growth represents annualised net flows as a percentage of the opening AUM for the relevant period.

<sup>2</sup> Excludes AUM subject to Property transactions with TIAA-CREF and resultant TH Real Estate JV AUM but includes Henderson UK Property OEIC.

<sup>3</sup> Based on the 10 quarters from 1 Jan 13.

# Management fee margins

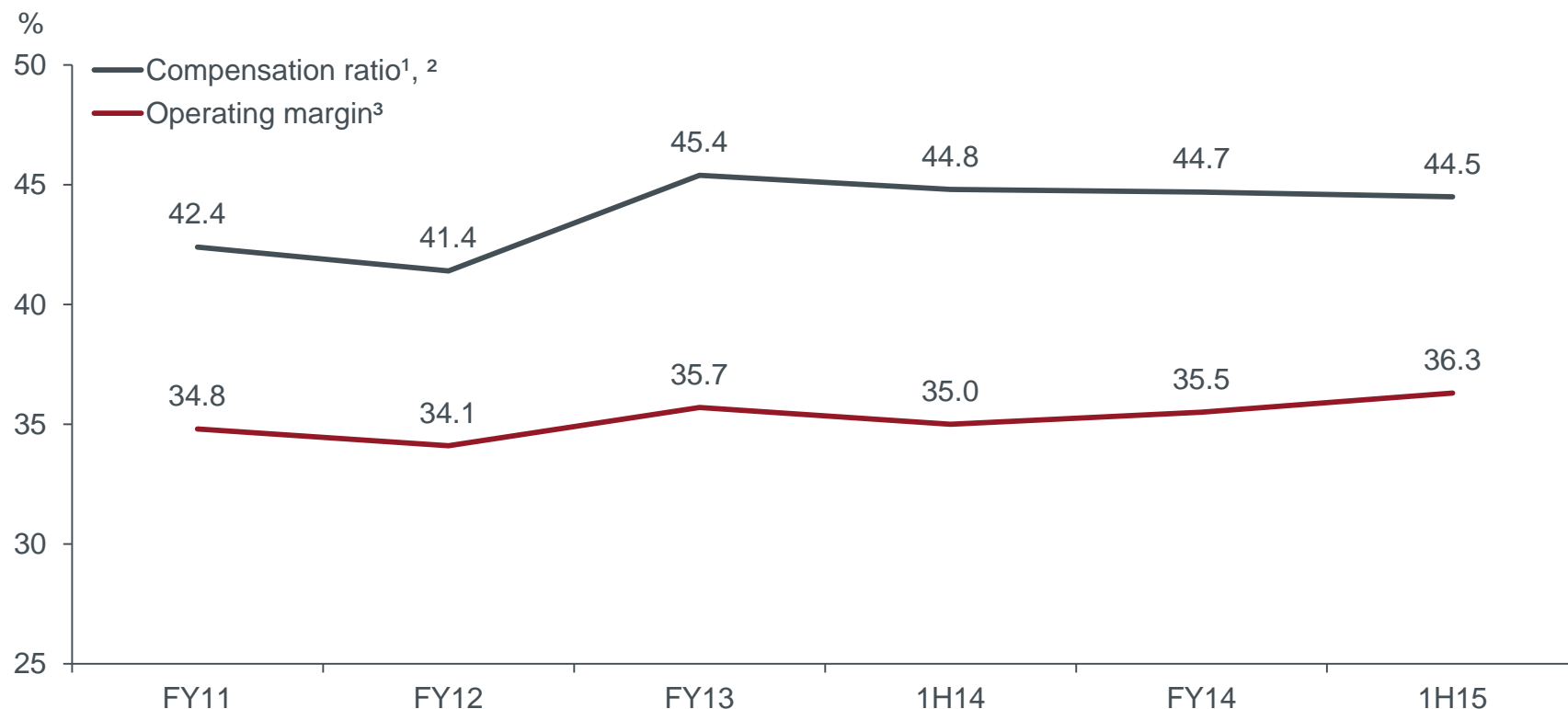


Note: Management fees and margins are calculated on total AUM, excluding JV AUM where the AUM is neither contracted to Henderson nor sub-advised to Henderson.



# Operating margin and compensation ratio

## Operating leverage starting to come through



<sup>1</sup> All prior periods have been restated to reflect the exclusion of finance income from the denominator and certain costs such as training and recruitment costs from staff expenses.

<sup>2</sup> Total staff compensation and benefits from continuing operations, divided by net fee income from continuing operations.

<sup>3</sup> Net fee income from continuing operations less total operating expenses from continuing operations, divided by net fee income from continuing operations.

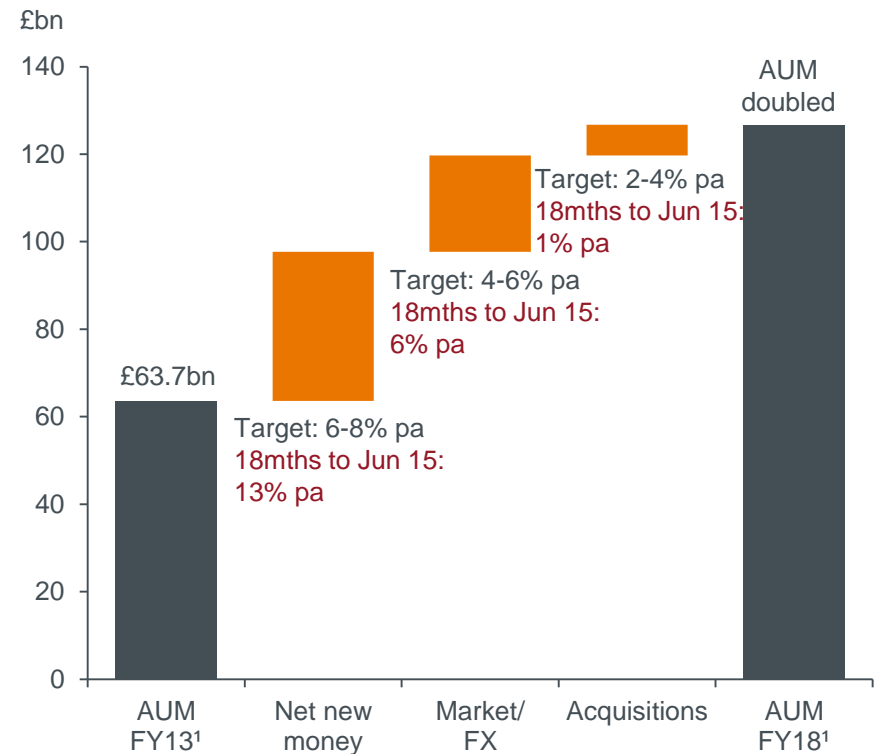
# Capital management

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- Active management of our cash and capital resources
- Options for capital deployment
  - Invest organically in growth
  - Invest in inorganic growth
  - Return capital to shareholders
- Initiation of share buyback programme in 2H15, based on strong cash flows and capital strength
- Shares to the value of £25.0m to be bought across LSE and ASX listings, by year end

# Strategy is delivering

- Above industry net new money growth
- Strong investment performance
- Carefully targeted investment
  - Investment management capabilities
  - Client relationships
  - Global platforms
- Operational leverage
- Disciplined use of capital



<sup>1</sup> Excludes AUM subject to Property transactions with TIAA-CREF and resultant TH Real Estate JV AUM but includes Henderson UK Property OEIC.

# Market backdrop and regulatory environment

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## Market backdrop

- Market fundamentals relatively positive
- Investor confidence remains fragile
- Key issues for clients
  - Positioning for rate rises and the end of QE
  - Fixed income liquidity

## Regulatory environment

- Increased scrutiny of asset managers, specifically in Europe
- Implementation of far-reaching regulatory change
- Regulation is consuming increasing amounts of management time and headcount

# Outlook – September 2015

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- Flows “normalised” in July and were slightly positive in August
- We remain cautious about the outlook for industry flows in 3Q15
- Henderson remains well positioned to outperform the market
  - Active investment management philosophy delivering excellent investment performance for clients
  - Increasingly diverse client base and product line
  - Growing brand recognition
- We remain focused on delivering our long-term goals

# Q&A

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