



# Schroders 2021 Half-Year Results

Peter Harrison  
Group Chief Executive

29 July 2021

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# Diversified business model proving beneficial

	H1 2021	H1 2020	Change
Net income <sup>1</sup>	£1,244.5mn	£1,003.9mn	+24%
Ratio of total costs to net income <sup>1</sup>	67%	70%	-
<b>Profit before tax<sup>1</sup></b>	<b>£407.5mn</b>	<b>£306.2mn</b>	<b>+33%</b>
AUM including JVs and associates	£700.4bn	£610.8bn	+15%
Group net new business incl. JVs	£17.9bn	£19.9bn <sup>2</sup>	-
<b>Basic EPS<sup>1</sup></b>	<b>118.5p</b>	<b>85.8p</b>	<b>+38%</b>
Total dividend per share	37p	35p	+6%

<sup>1</sup>Before exceptional items.

<sup>2</sup>Excluding SWIFT.

Continued investments  
in strategic initiatives to  
grow the business

Benefitting from our  
comprehensive product  
suite, geographic footprint and...

...competitive performance  
in a 'risk on' environment

# Delivering strong investment performance for our clients

	1 year	3 years	5 years
Equities	84%	75%	84%
Fixed Income	97%	96%	96%
Multi Asset	90%	57%	73%
Portfolio Solutions & Quant	89%	68%	66%
Private Assets & Alternatives	79%	70%	80%
Wealth Management	76%	75%	76%

Note: Please refer to page 6 of the Half-Year 2021 Press Release on our investor relations page for more information about client investment performance.

**87%**

outperforming over 1 years

**75%**

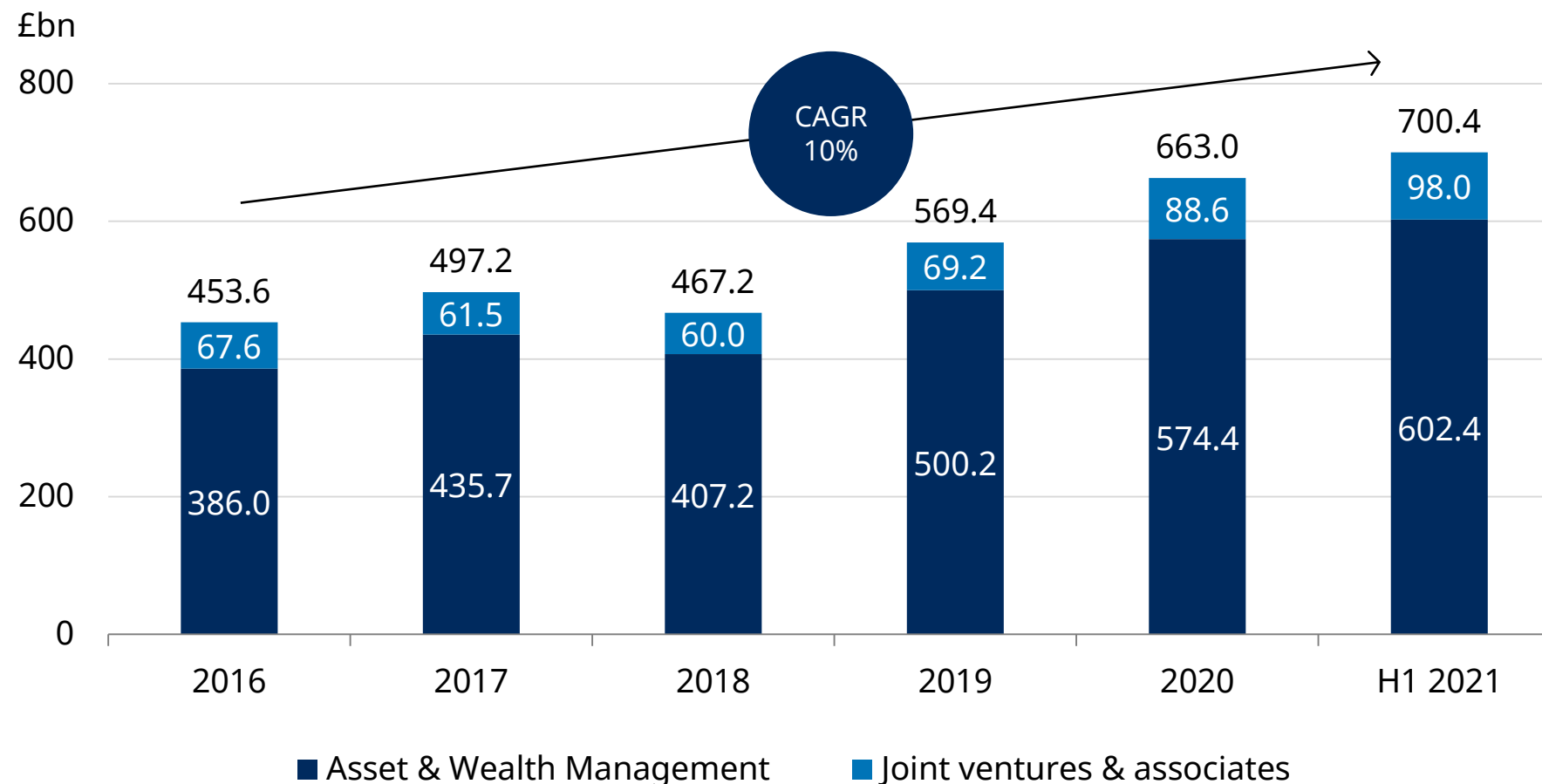
outperforming over 3 years

**82%**

outperforming over 5 years

# AUM growth supported by positive net flows and investment returns

## Historic AUM development



Group AUM up

**6%**

vs FY 2020

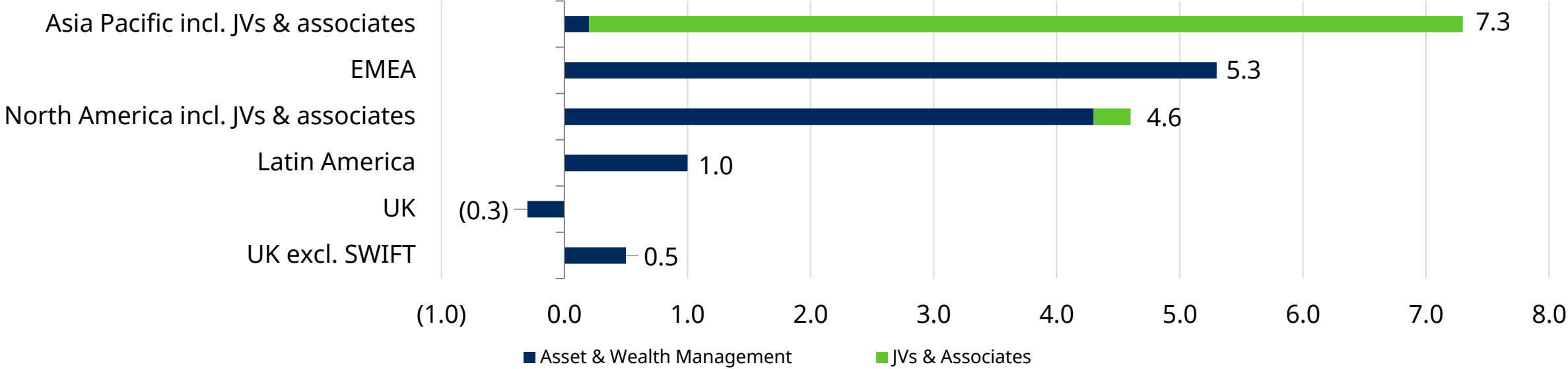
JVs & Associates up

**11%**

vs FY 2020

# Net new business is benefitting from our globally diversified distribution footprint

Net new business split by region  
£bn



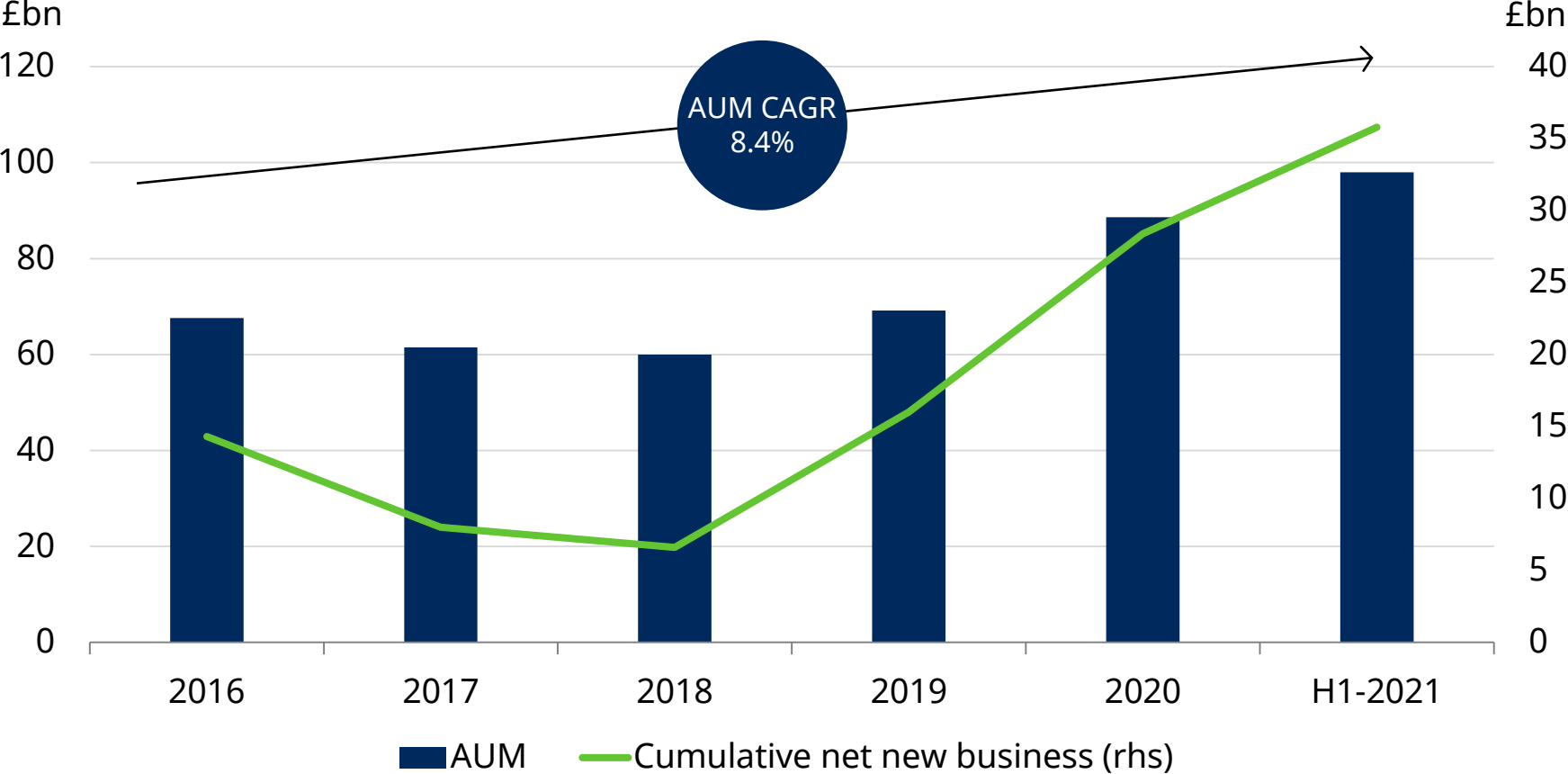
EMEA flows of **£5.3bn**  
supported by strong retail demand

North American NNB of **£4.6bn**  
driven by institutional mandate wins

In the UK, positive intermediary flows of **£1.1bn**  
offset by SWIFT attrition

# Strong performance from joint ventures and associates

Annual assets and cumulative net flows



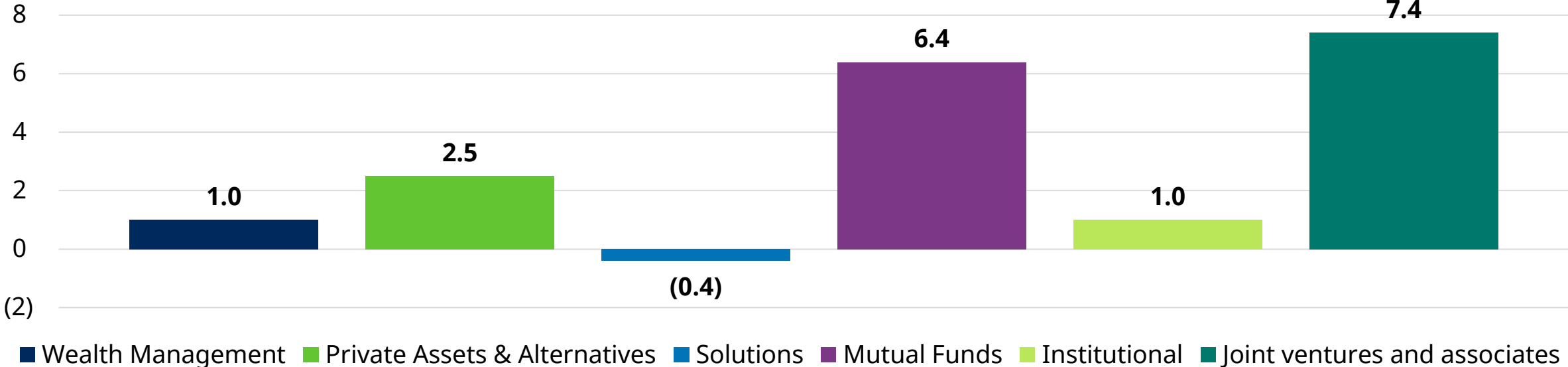
Axis' market share now  
**6.1%**

Good progress on  
**WMC JV**  
establishment in China

# Sustained flow momentum into higher margin products

Net new business split by business area

£bn



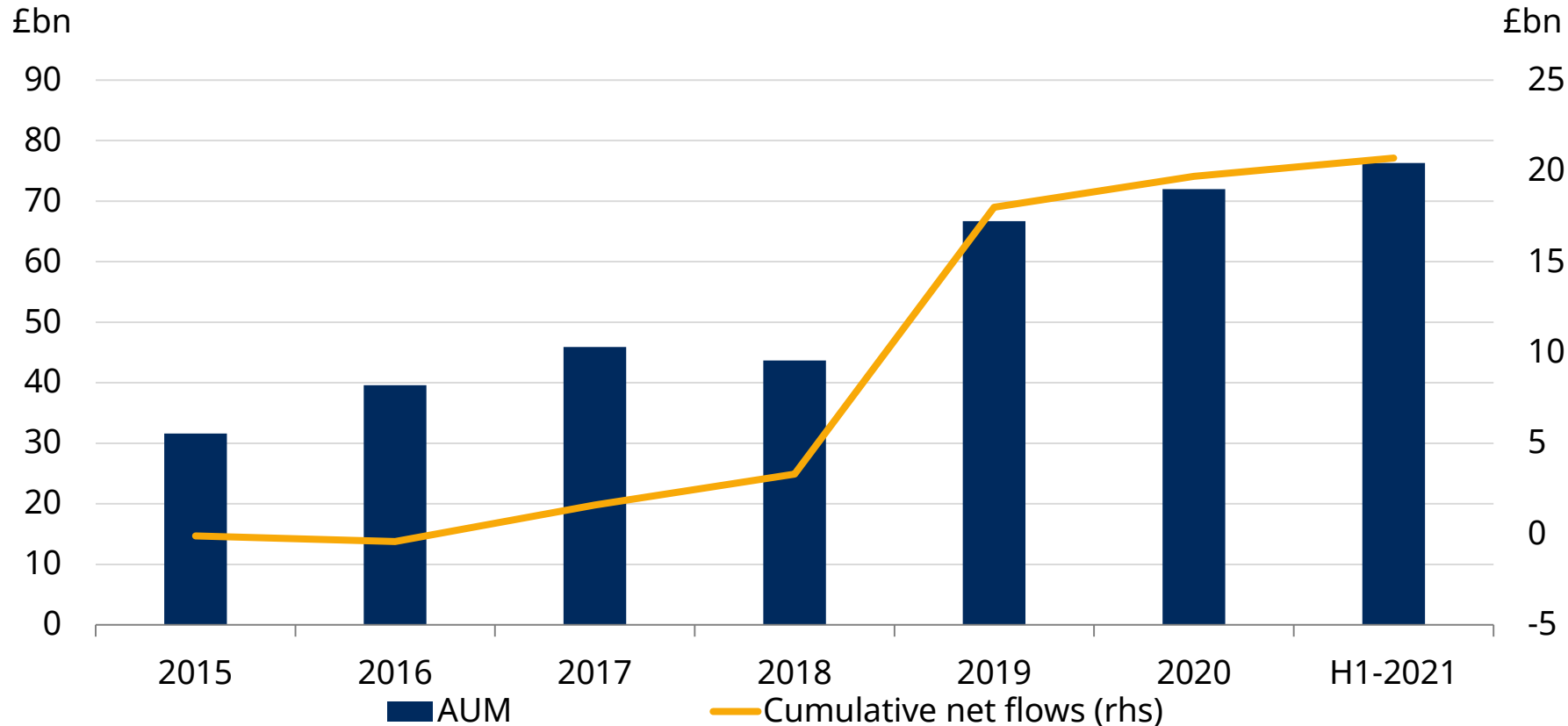
**£17.9bn**  
of net new business

**£10.5bn**  
of net new business excl. JVs and associates



# Wealth Management net operating revenues up 13%

## Annual assets and cumulative net flows



Net new business of  
**£1.0bn**  
in H1 2021

Cazenove Capital: £0.6bn  
Benchmark Capital: £0.3bn  
SPW: £0.1bn

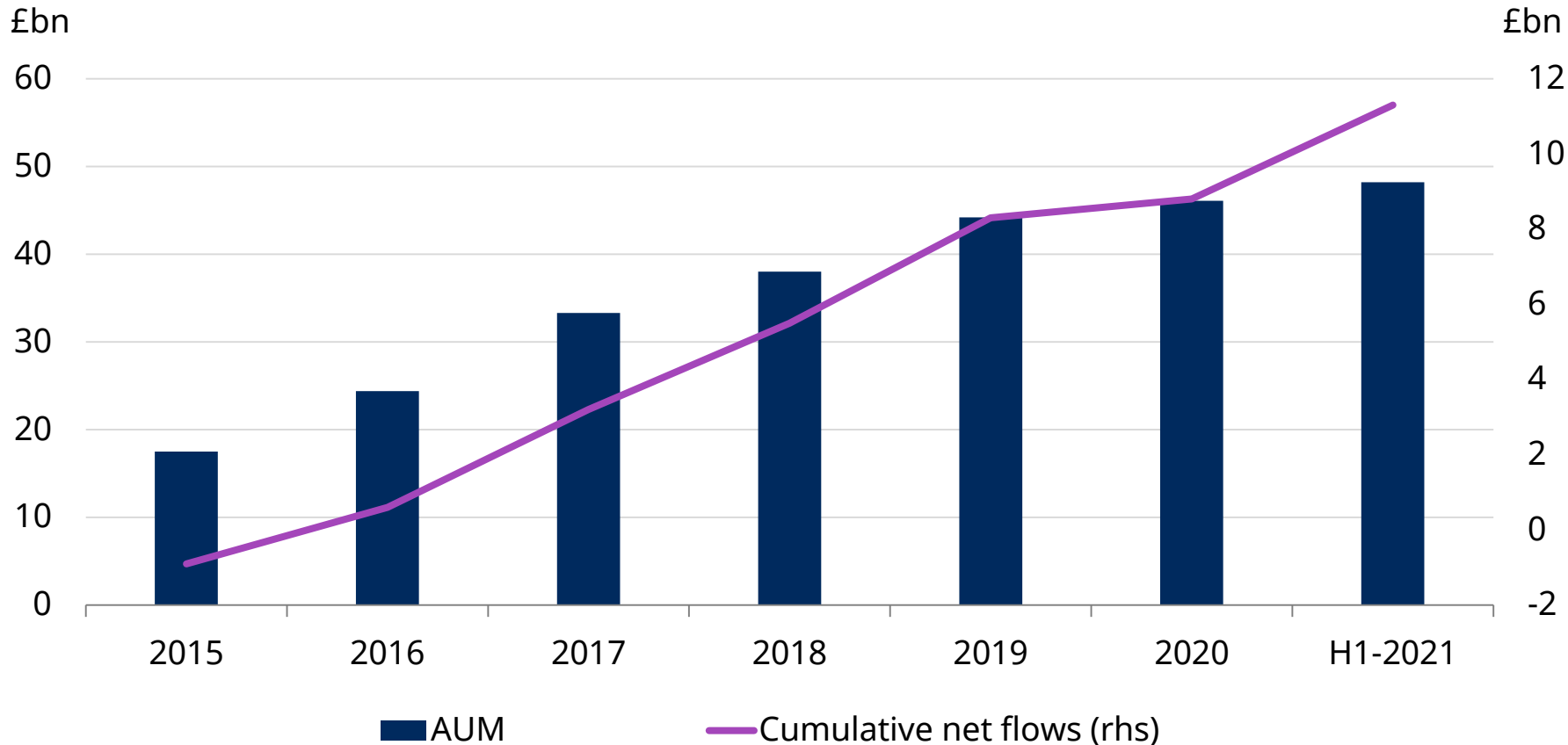
Successful integration of  
**Sandaire**,  
creating platform for global  
family office service





# Private Assets & Alternatives net operating revenues up 11%

Annual assets and cumulative net flows



Net new business of **£2.5 billion**

Schroders Capital generated **£2.9bn of NNB**  
**£2.7bn of dry powder**  
(not included in AUM)

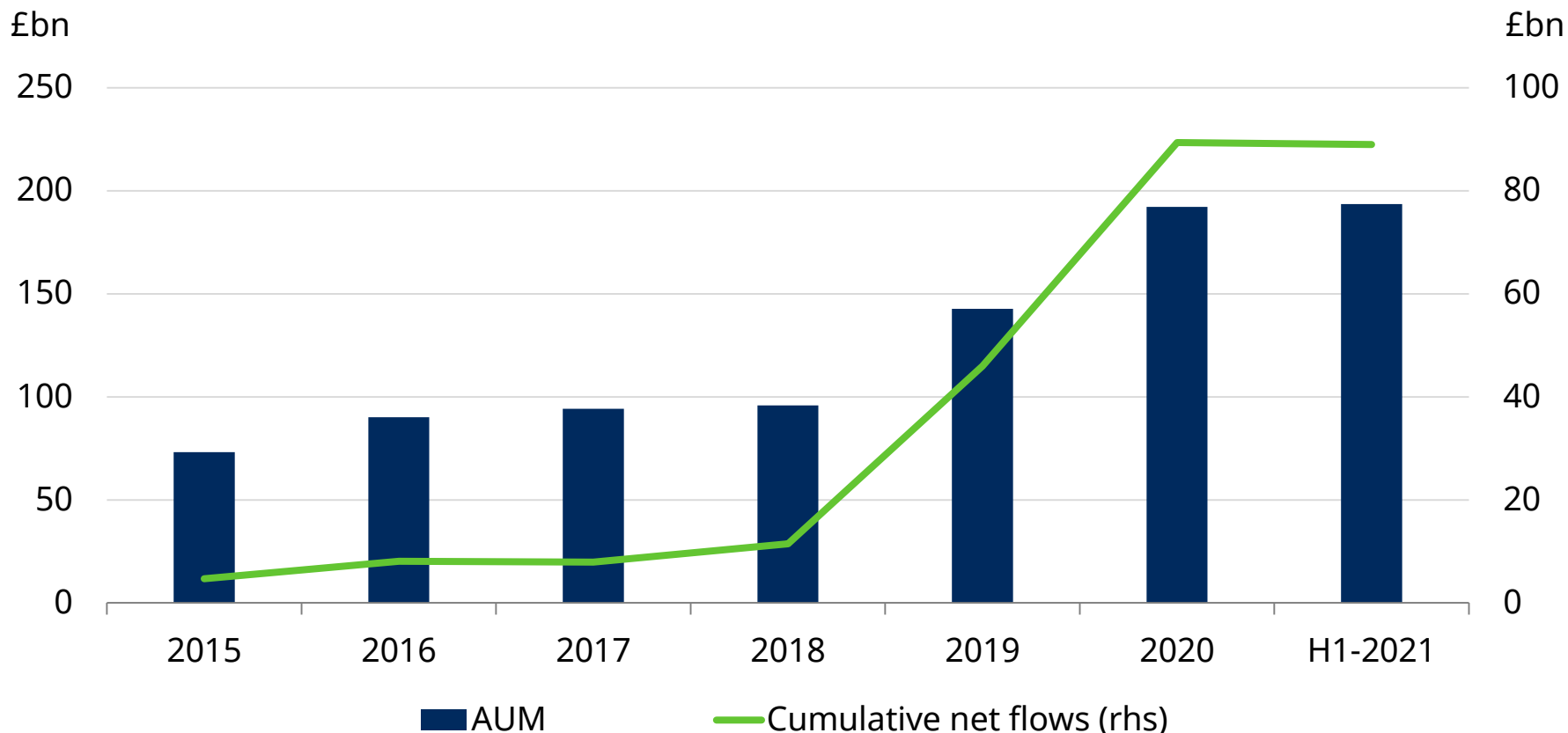
Contributing **£157 million**  
of net operating revenues



# Built a highly profitable Solutions business

Solutions AUM reached  
**£193.6 billion**  
in H1 2021

Annual assets and cumulative net flows



SWIFT outflows of  
**£0.8 billion**  
reflecting maturity of book

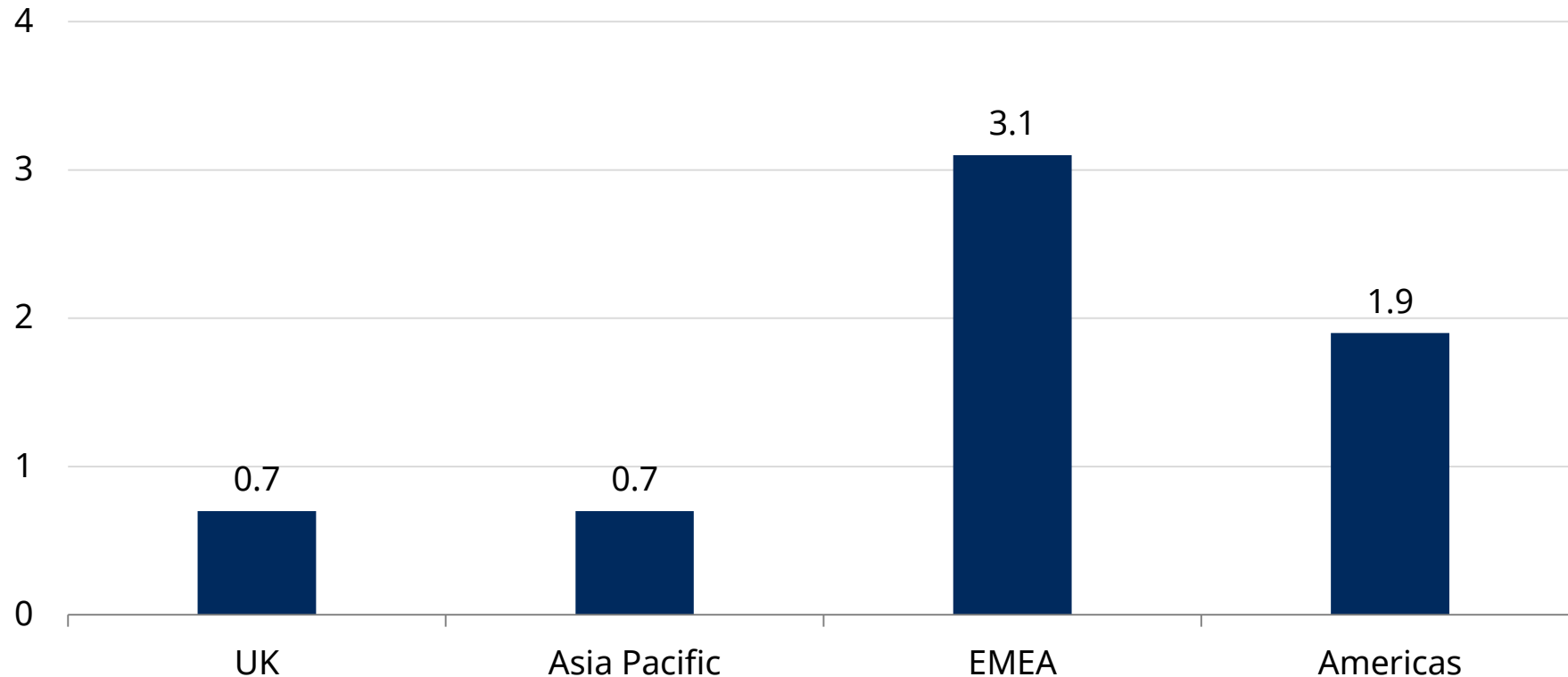
Net operating revenues  
increased by  
**9%**



# Positive momentum across our Mutual Fund business

H1 2021 net new business by geography

£bn



Net new business of  
**£6.4 billion**  
in H1 2021

Flows concentrated into  
**higher revenue margin** equity products

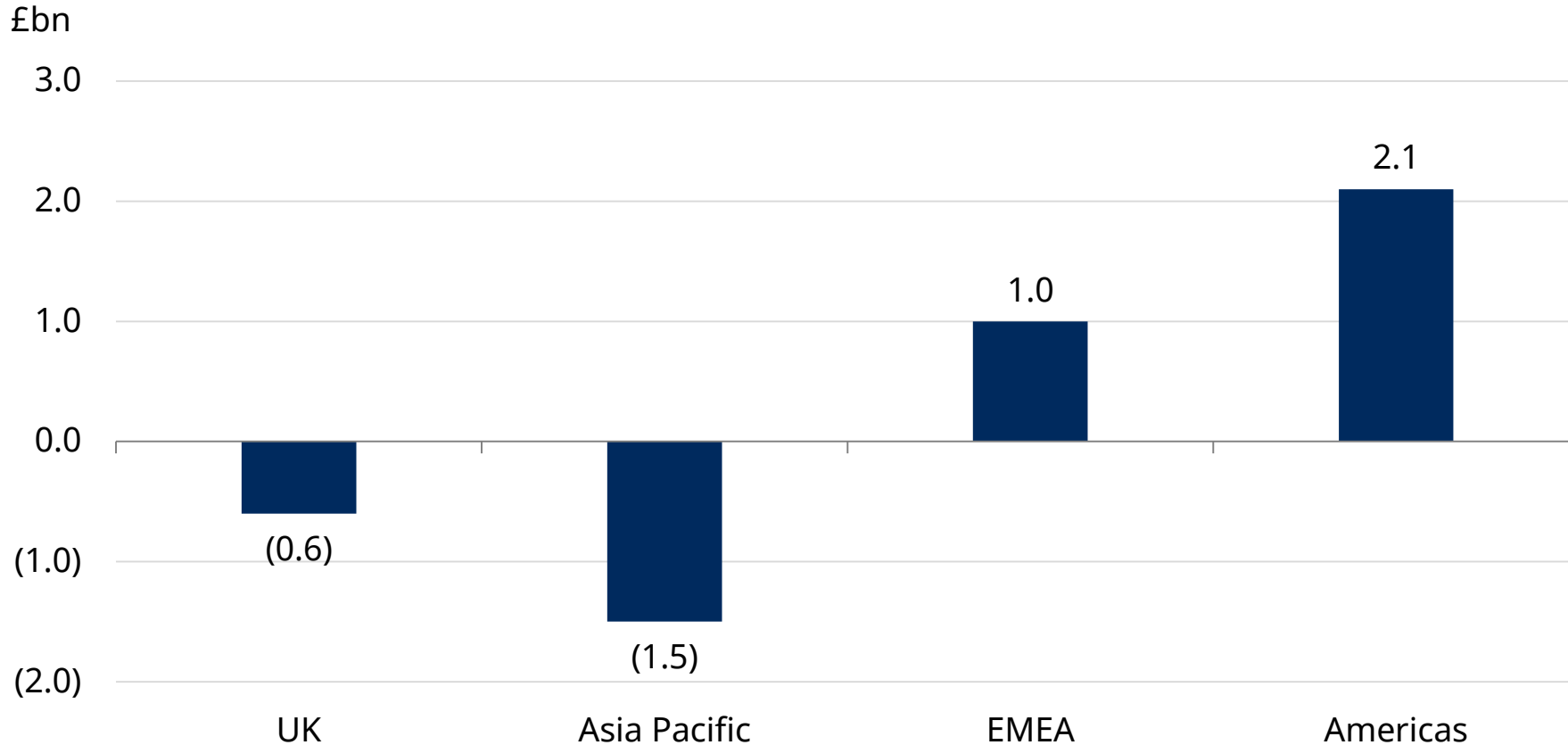
**Positive flow momentum across all regions**



# Institutional net new business turned positive

Net new business of  
**£1.0 billion**  
in H1 2021

H1 2021 net new business by geography



Driven by  
**Fixed Income demand**  
from US-based investors

**Solid pipeline**  
going into H2 2021



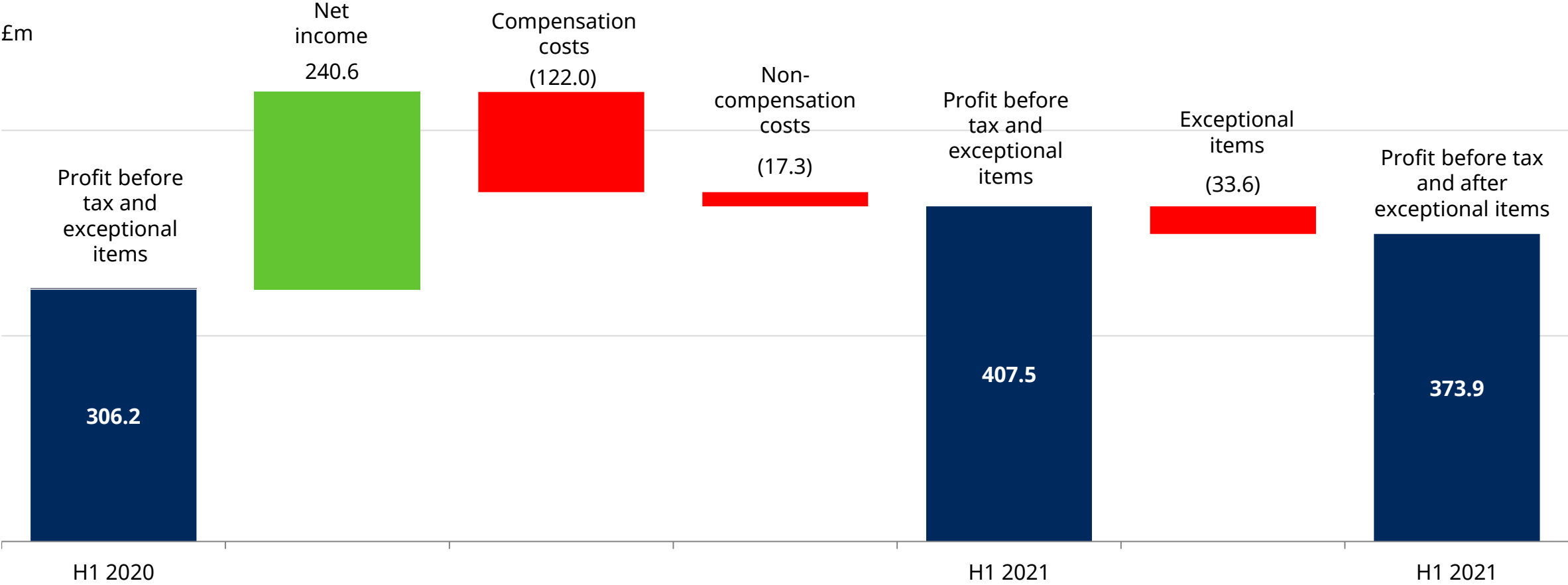
# Schroders 2021 Half-Year Results

Richard Keers  
Chief Financial Officer

29 July 2021

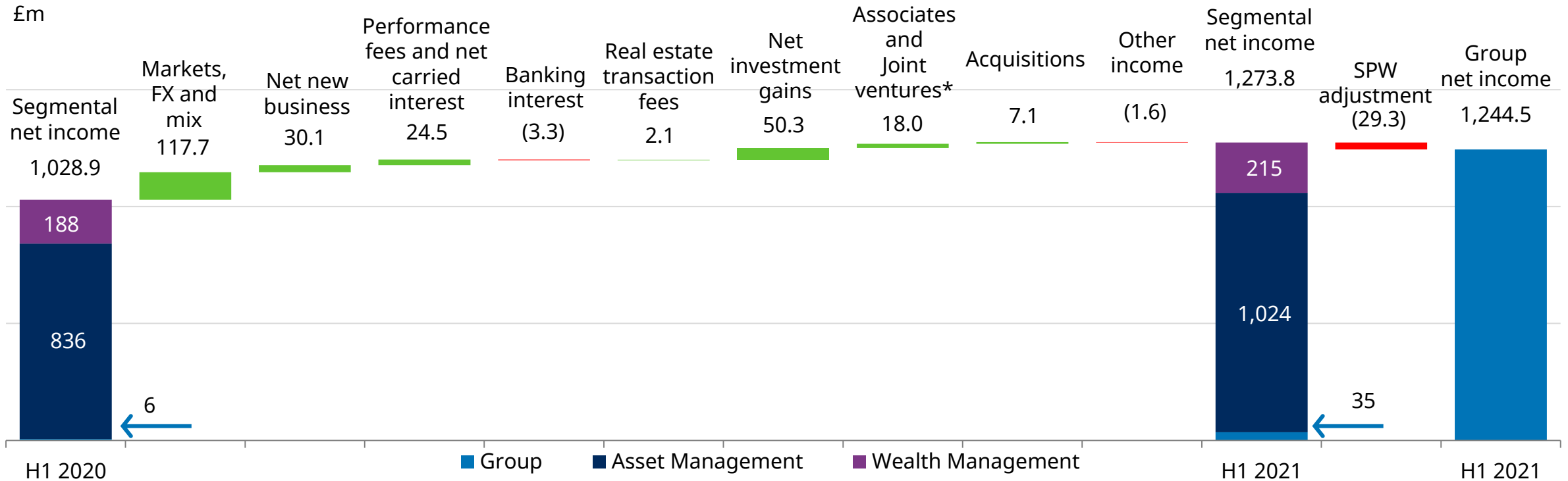
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# Profit before tax



Profit before tax and exceptional items **+33%**

# Net income



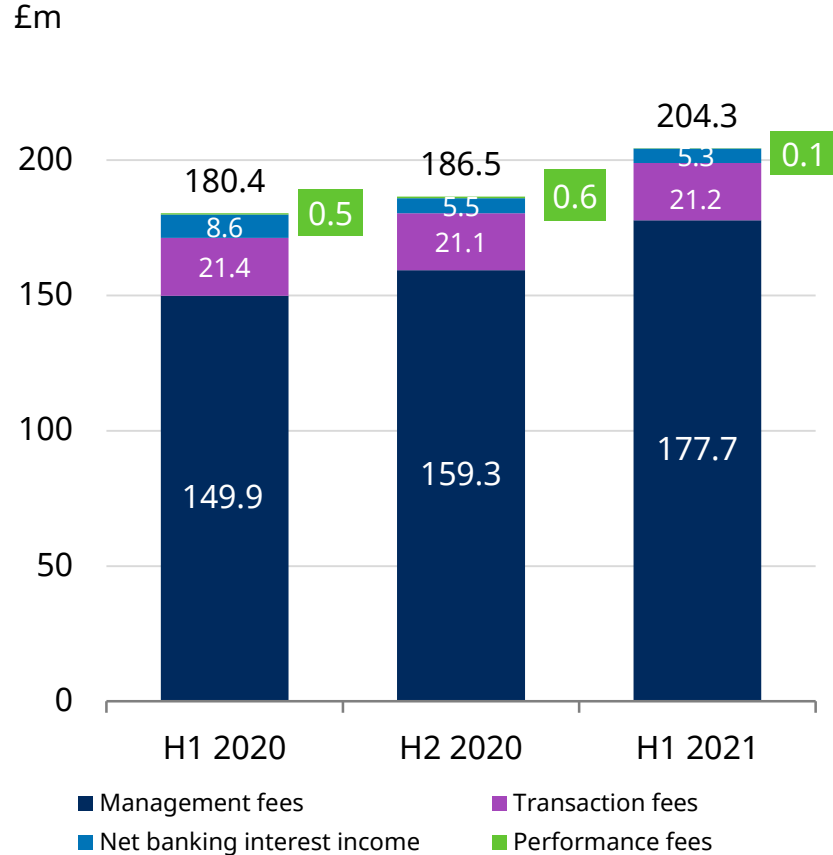
\*Before exceptional items and excluding SPW, which is proportionally consolidated within wealth management.



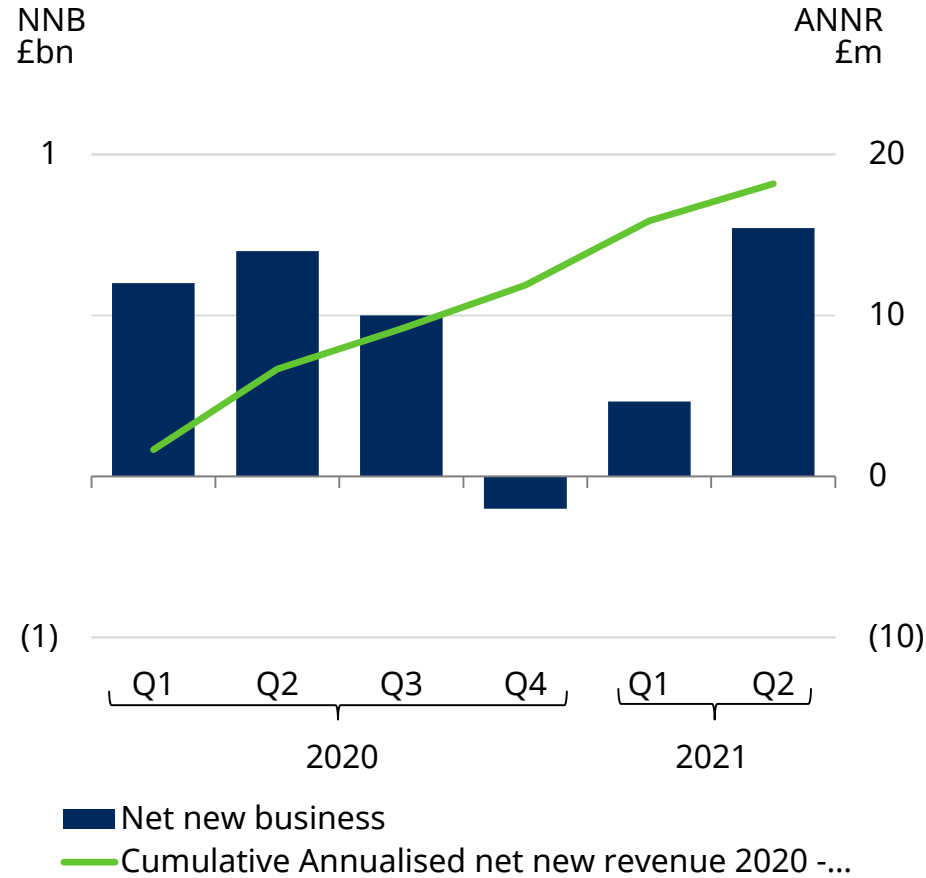
Net income +24%

# Wealth Management

## Net operating revenue\*



## Net new business and annualised net new revenue (NNB and ANNR)



Net operating revenue margin<sup>1</sup>

**56bps**

H1 2020: 57bps

<sup>1</sup>Excluding performance fees.

Average AUM

**£73.4bn**

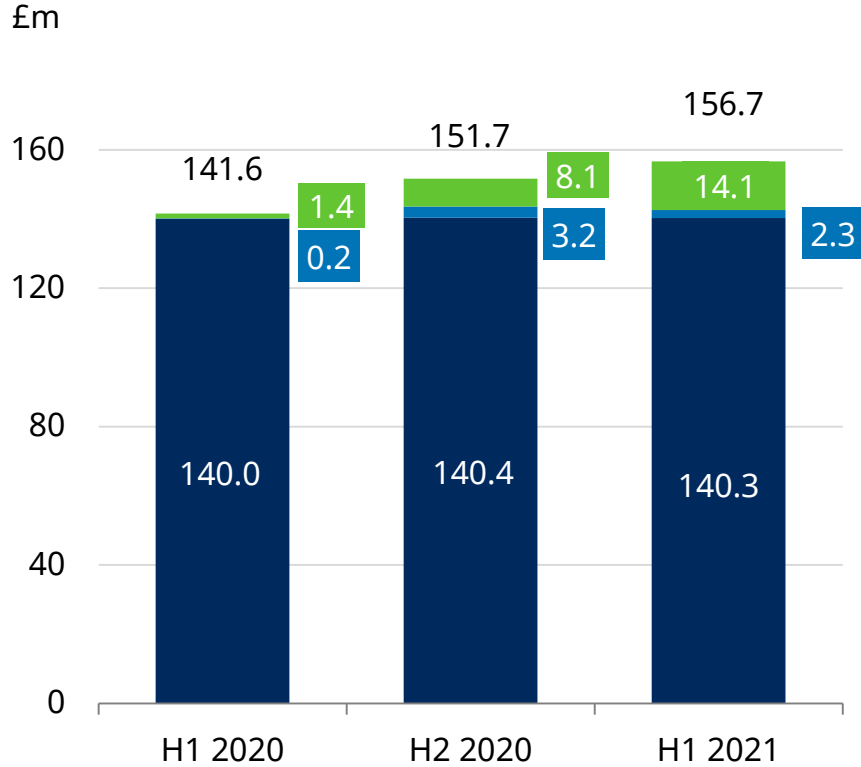
H1 2020: £63.4bn

\*Includes £28.8m (H2 2020: £25.8m H1 2020: £28.7m) relating to the proportional consolidation of SPW.



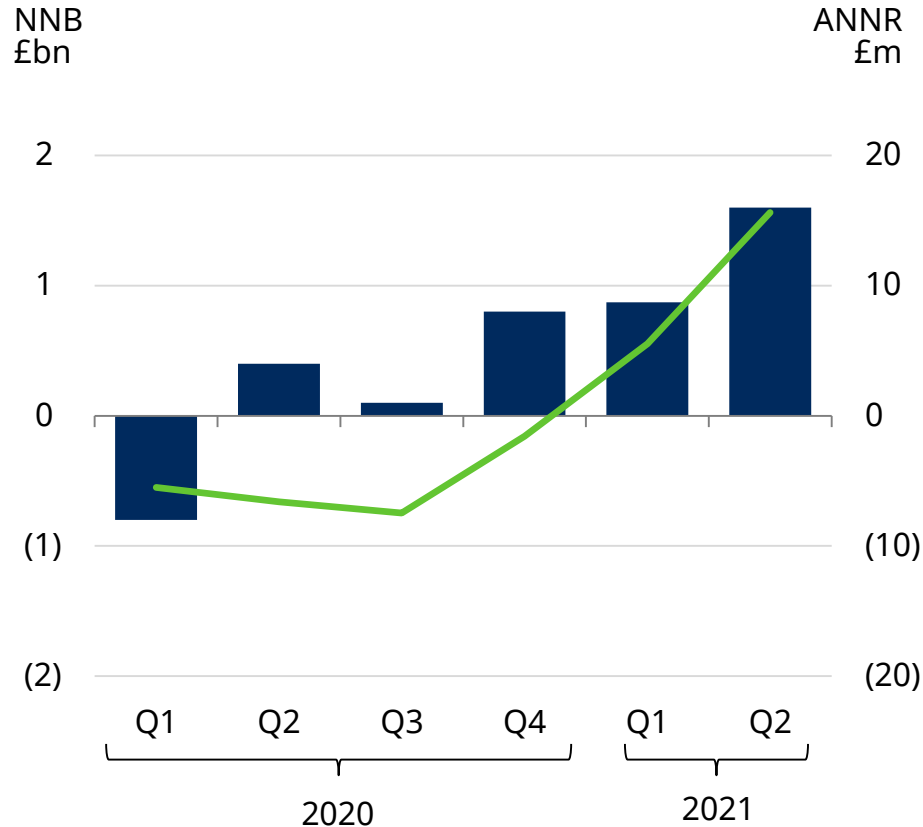
# Private Assets & Alternatives

## Net operating revenue



- Performance fees and net carried interest
- Real estate transaction fees
- Management fees

## Net new business and annualised net new revenue (NNB and ANNR)



- Net new business
- Cumulative Annualised net new revenue 2020 - 2021

Net operating revenue margin<sup>1</sup>

**67bps**

H1 2020: 64bps

<sup>1</sup>Including performance fees and net carried interest.

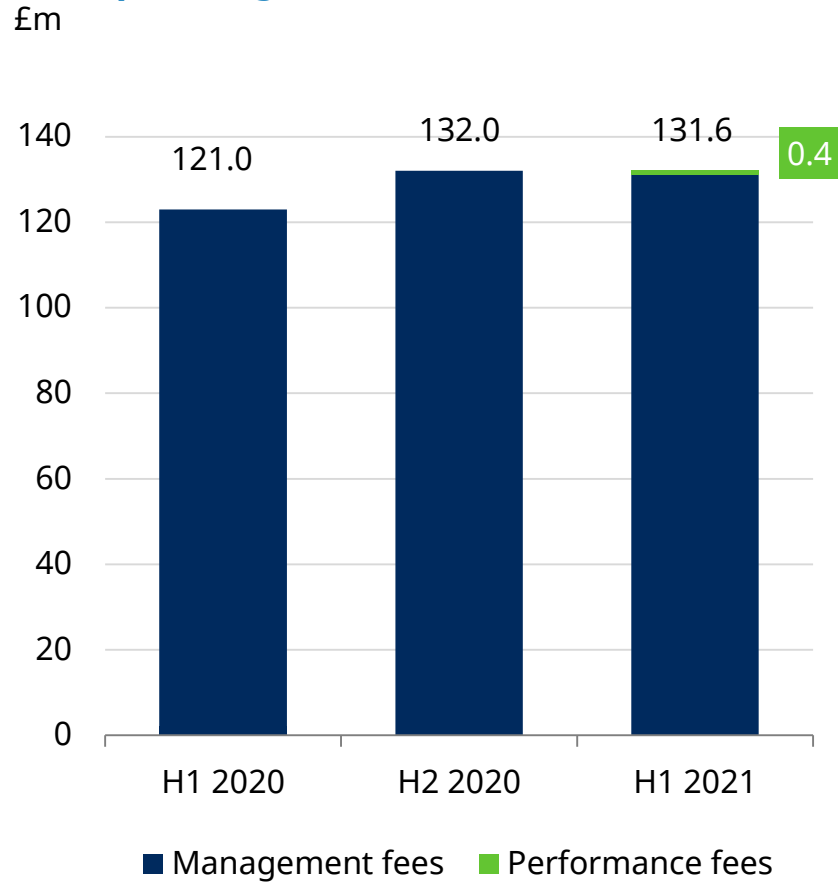
Average AUM

**£46.6bn**

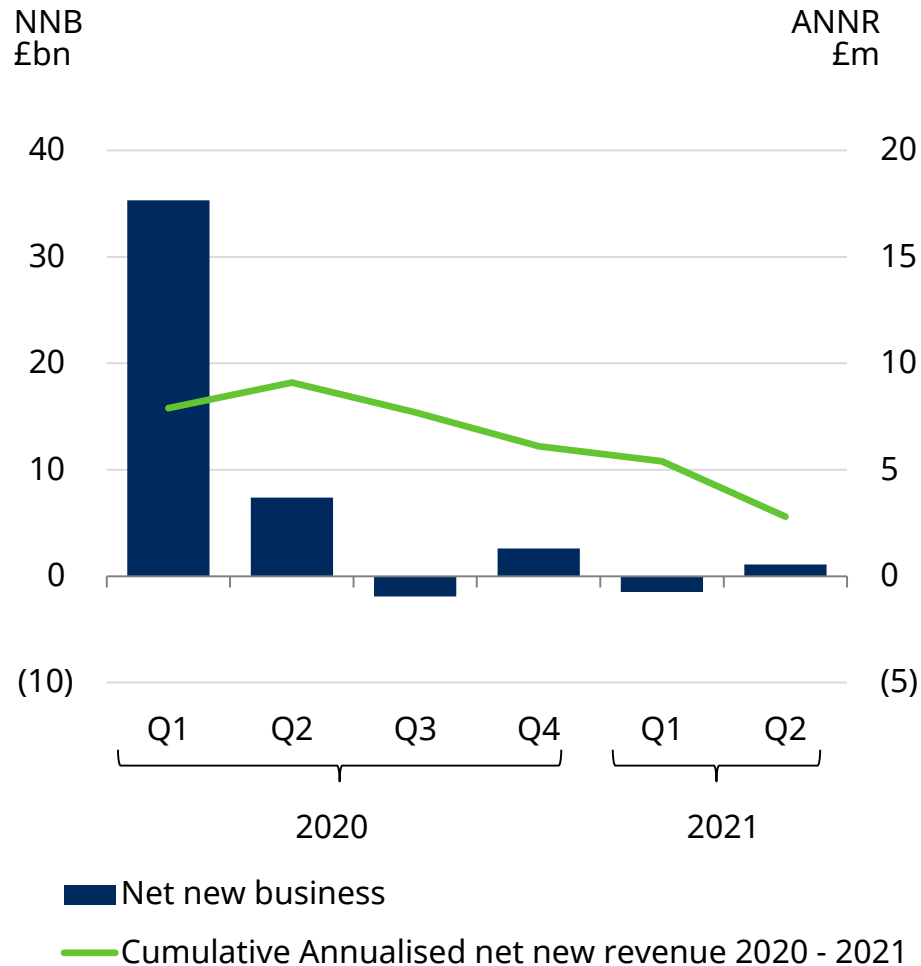
H1 2020: £44.3bn

# Solutions

## Net operating revenue



## Net new business and annualised net new revenue (NNB and ANNR)



Net operating revenue margin<sup>1</sup>

**14bps**

H1 2020: 15bps

<sup>1</sup>Including performance fees.

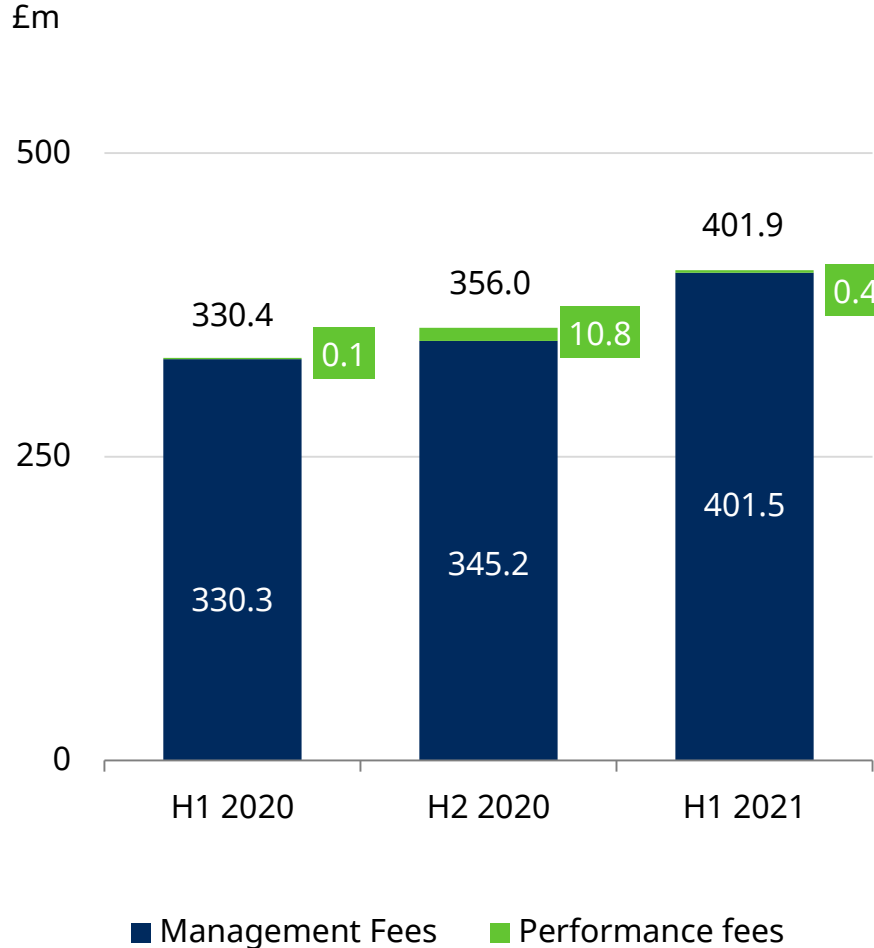
Average AUM

**£191.7bn**

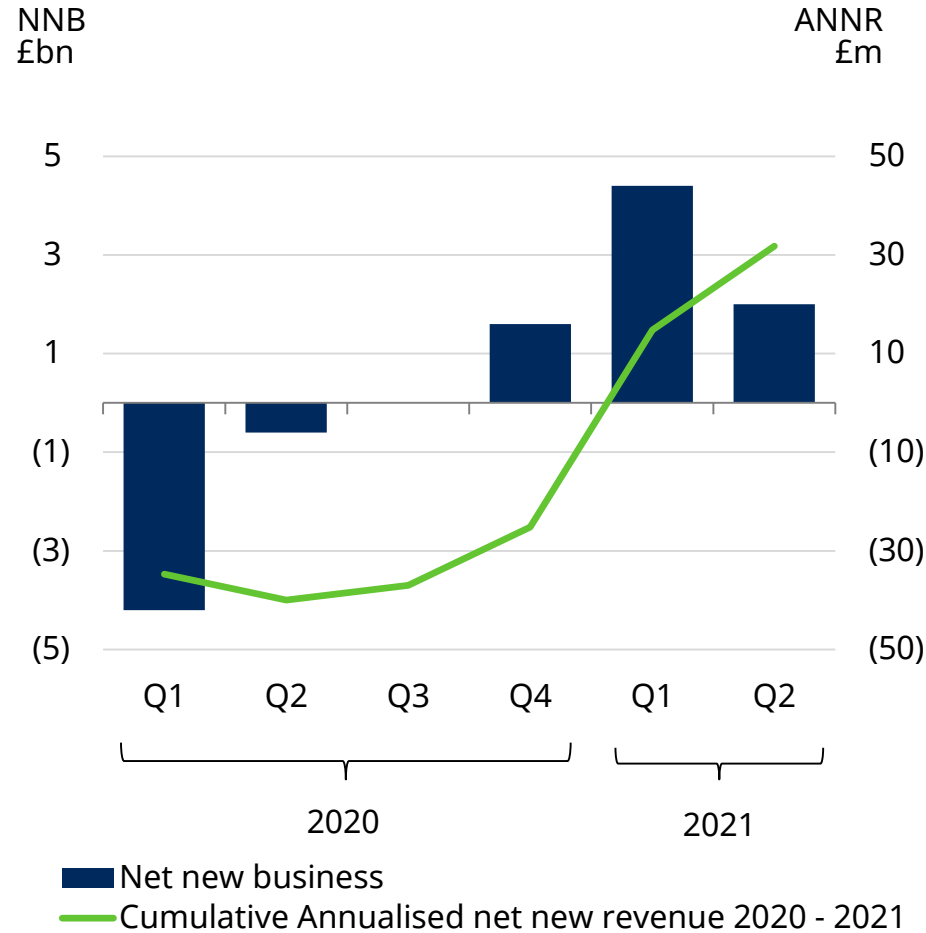
H1 2020: £162.1bn

# Mutual Funds

## Net operating revenue



## Net new business and annualised net new revenue (NNB and ANNR)



Net operating revenue margin<sup>1</sup>

**74bps**

H1 2020: 71bps

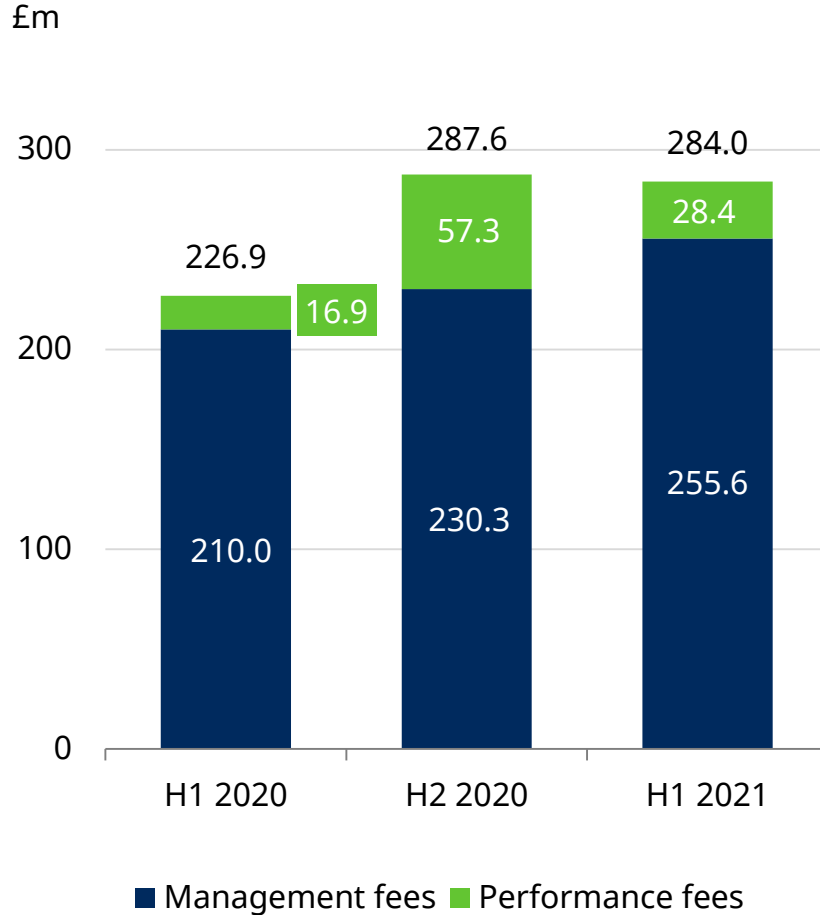
<sup>1</sup>Excluding performance fees.

Average AUM  
**£109.9bn**

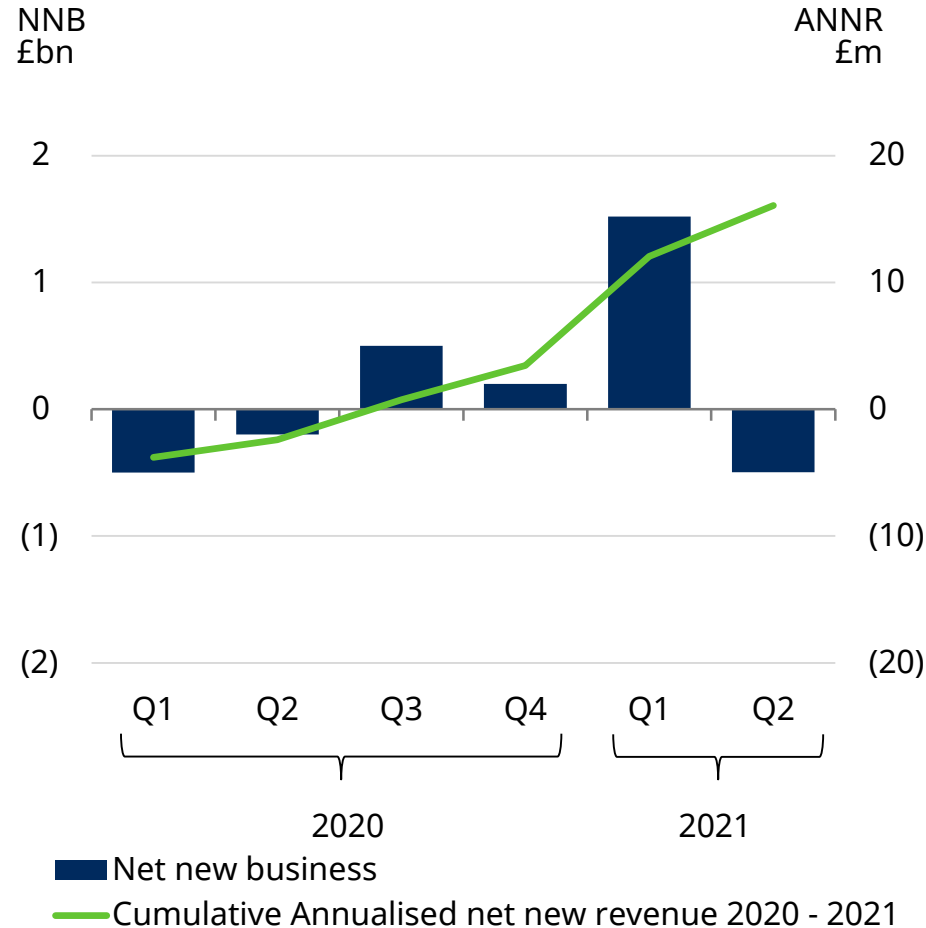
H1 2020: £92.8bn

# Institutional

## Net operating revenue



## Net new business and annualised net new revenue (NNB and ANNR)



Net operating revenue margin<sup>1</sup>

**31bps**

H1 2020: 31bps

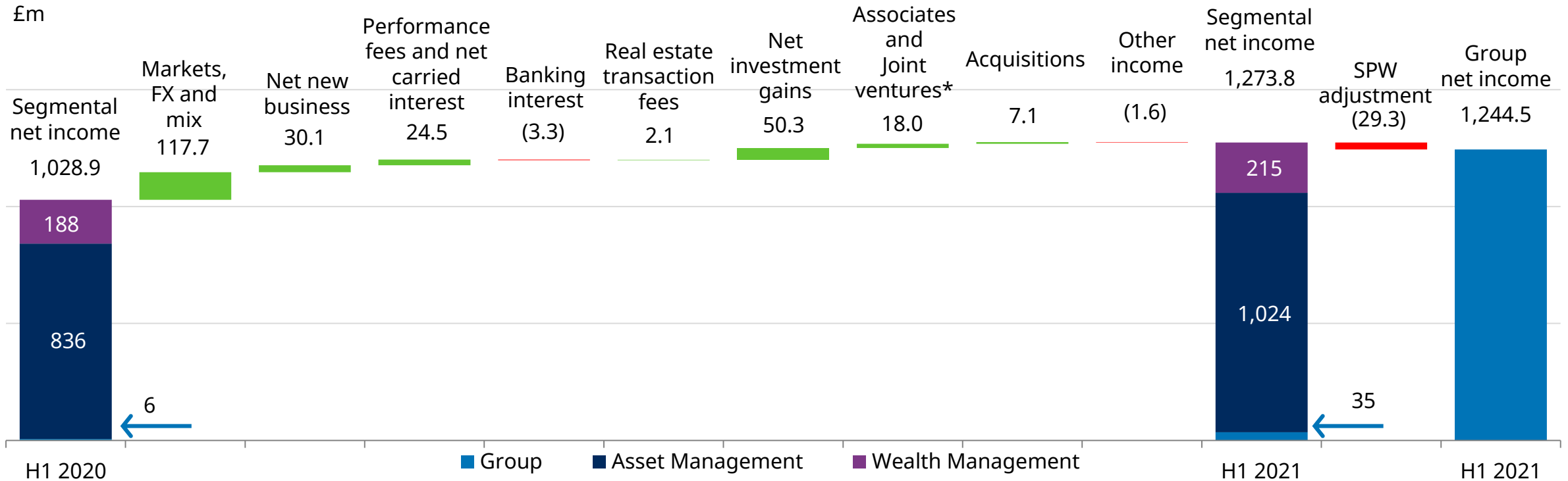
<sup>1</sup>Excluding performance fees.

Average AUM

**£163.7bn**

H1 2020: £137.6bn

# Net income



\*Before exceptional items and excluding SPW, which is proportionally consolidated within wealth management.



Net income +24%

# Associates and Joint Ventures\*

	H1 2021			
	BoCom	Axis	Other	Total
Total Revenue (£m)	181.3	36.2	30.0	247.5
Total Profit (£m)	108.7	16.4	6.1	131.2
<b>Group's share of profit (£m)</b>	<b>32.6</b>	<b>4.1</b>	<b>1.7</b>	<b>38.4</b>
Revenue Margin				42bps <sup>1</sup>

	H1 2020			
	BoCom	Axis	Other	Total
Total Revenue (£m)	118.1	26.5	71.0	215.6
Total Profit (£m)	56.3	10.4	3.0	69.7
<b>Group's share of profit (£m)</b>	<b>16.9</b>	<b>2.6</b>	<b>0.9</b>	<b>20.4</b>
Revenue Margin				32bps <sup>1</sup>

\*Before exceptional items and excluding SPW, which is proportionally consolidated within wealth management.

<sup>1</sup>Includes performance fees.

Assets under management

£98.0bn

H1 2020: £85.0bn

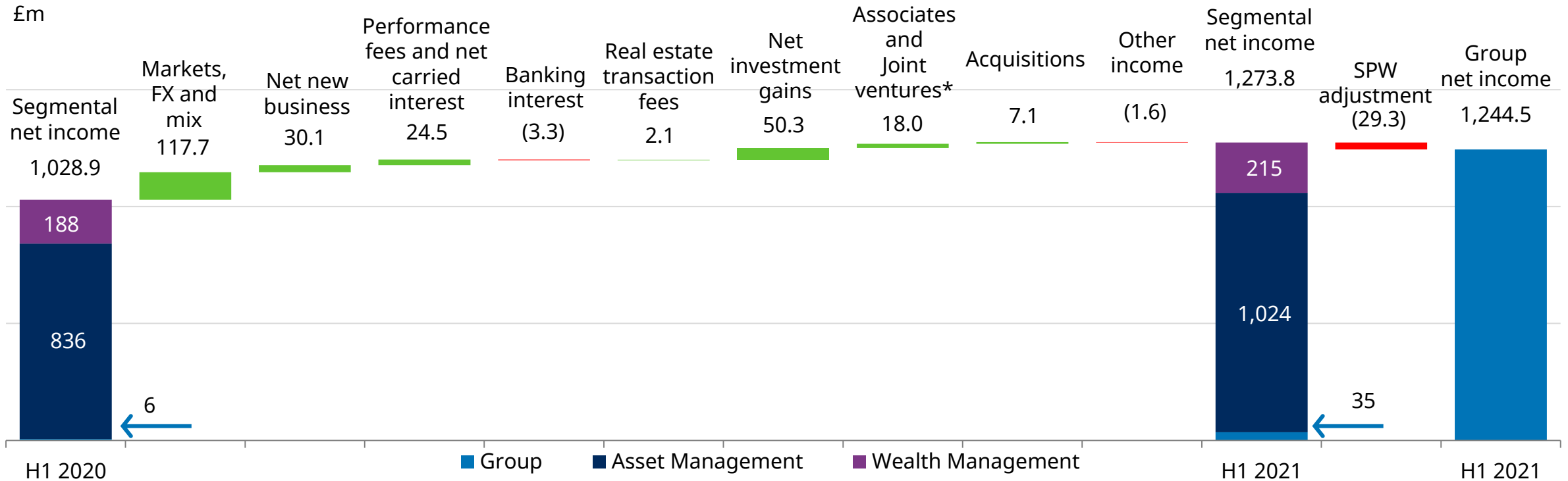
2021  
net inflows of  
**+£7.4bn**

H1 2020: £11.3bn

Share of profit of associates and joint ventures\*

**+88%**

# Net income



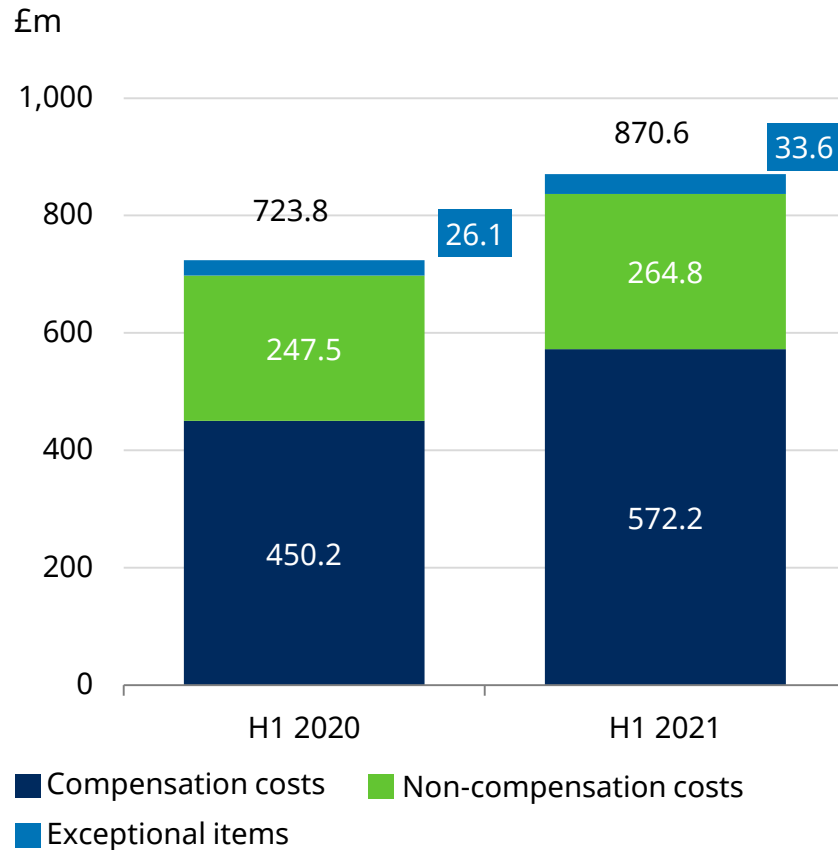
\*Before exceptional items and excluding SPW, which is proportionally consolidated within wealth management.



Net income +24%

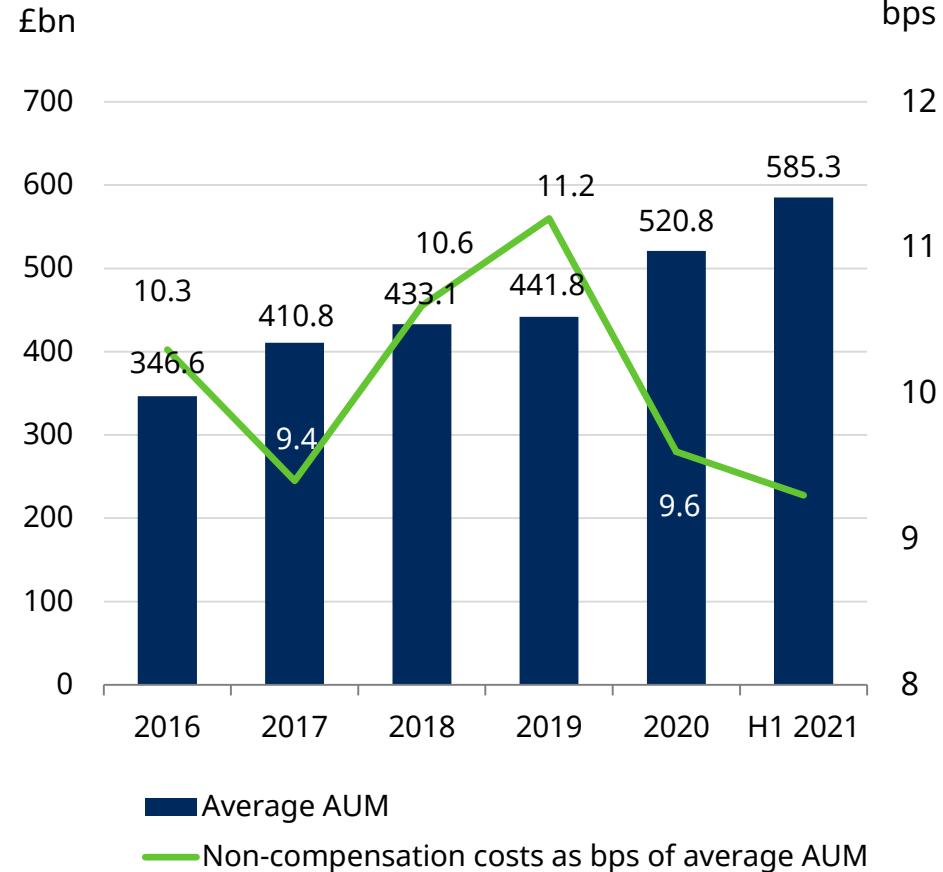
# Operating expenses

## Operating expenses



\*Excluding associates and joint ventures.

## Average AUM\* and non-compensation costs



Total compensation ratio

**46%**

H1 2020: 45%

Ratio of total cost to net income

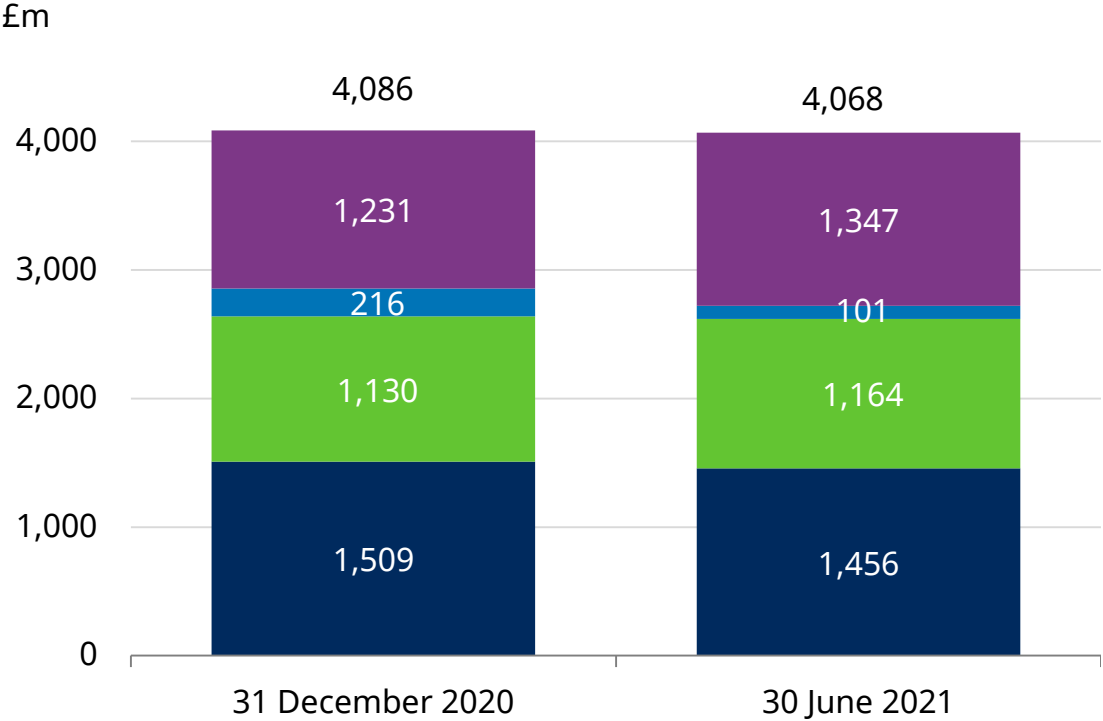
**67%**

H1 2020: 70%

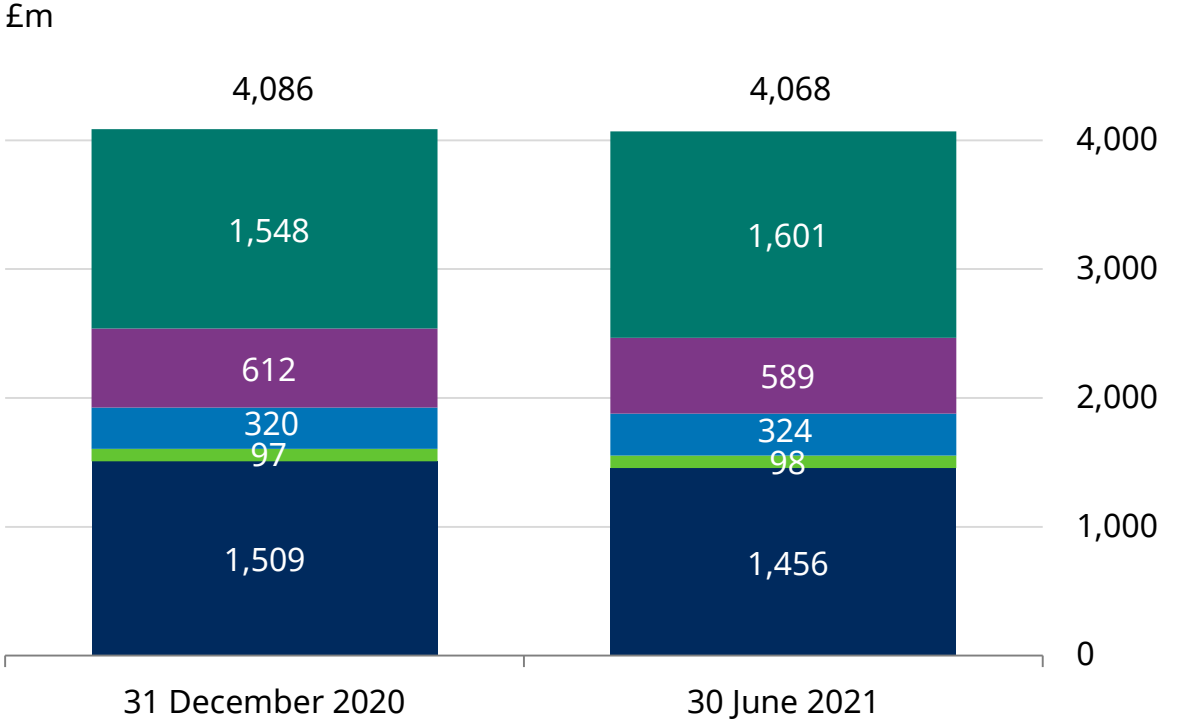


# Composition of Group Capital

## Capital base



## Capital allocation



■ Capital surplus    ■ Dividend<sup>1</sup>  
■ Overall regulatory capital requirement    ■ Other items<sup>2</sup>

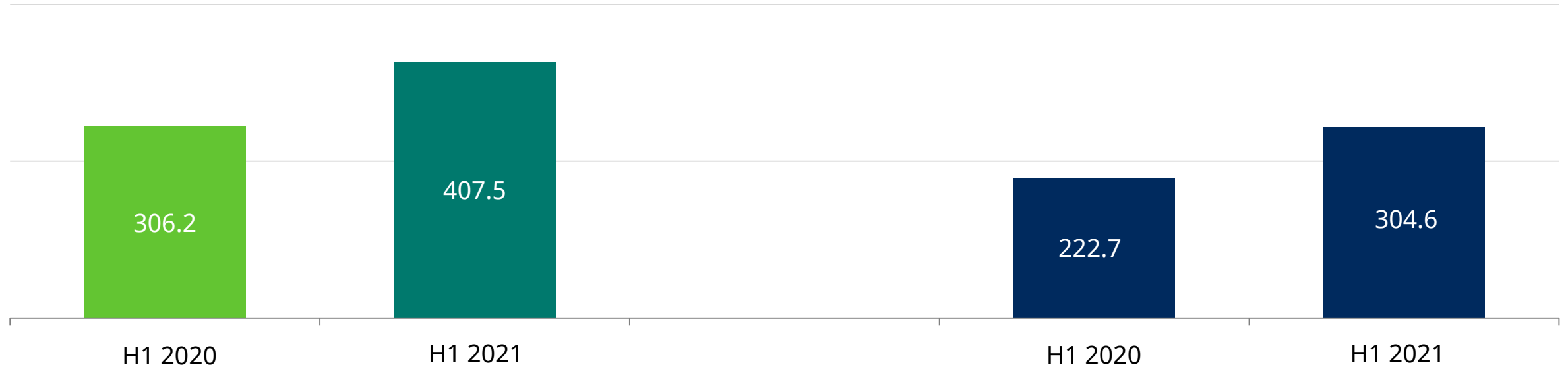
■ Working capital - regulatory and other    ■ Investment capital - illiquid  
■ Working capital - seed and co-investment    ■ Other items<sup>2</sup>  
■ Investment capital - liquid

<sup>1</sup>Final 2020 dividend / proposed 2021 interim dividend. <sup>2</sup>Comprises items that are inadmissible for regulatory purposes, principally goodwill, intangible assets and pension scheme surplus.

# Summary

Profit before tax<sup>1</sup>

Profit after tax<sup>2</sup>



<sup>1</sup>Before exceptional items.

<sup>2</sup>After exceptional items.

Basic EPS<sup>2</sup>  
+37% to 107.7p

Interim dividend increased to  
37p



# Schroders Outlook and questions

Peter Harrison  
Group Chief Executive

29 July 2021

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# Outlook for 2021 and beyond

**Focused strategy, global footprint and diversified business model** enable investing for long term growth



Building on our leadership position in sustainability, impact and natural capital



Invest organically to improve our long-term revenue growth



Continue to deliver excellent investment performance to our clients



Well positioned to service clients around the world with the investment solutions they need



## Forward looking statement

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