

Schroders

2022 FULL-YEAR RESULTS

2 March 2023

Peter Harrison

Group Chief Executive



Resilient performance due to our successful pivot towards high quality growth areas

➤ Our strategic pivot means high quality growth areas now make up 53% of the Group's AUM

➤ Recurring revenues were resilient and increased 1% year-on-year

➤ Wealth Management advice businesses performed well and generated 6.6% organic growth

➤ Schroders Capital had record fundraising of £17.5bn in 2022

➤ Schroders Solutions performed well through the gilt crisis, with strong momentum entering 2023

➤ Successful enfranchisement of non-voting shares: we now have only one share class

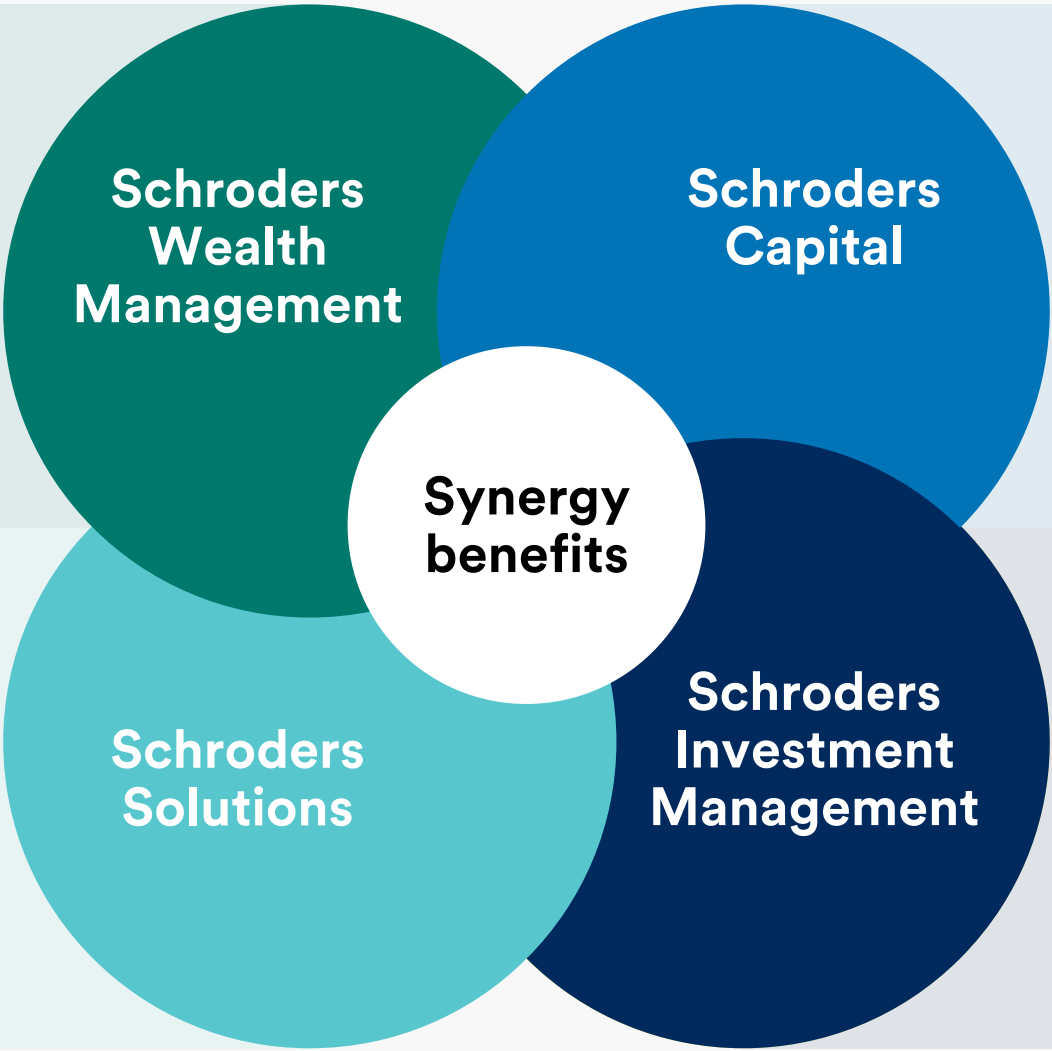
Our growth has become self reinforcing

Building longer-lasting client relationships for more sustainable revenue and margins.

Cazenove Capital
Schroders Personal Wealth
Benchmark Capital

Establishing deeper, trusted-adviser relationships with larger, complex clients.

UK
Americas
Europe
Asia



Seeking more stable, long-term revenues by expanding our private assets business.

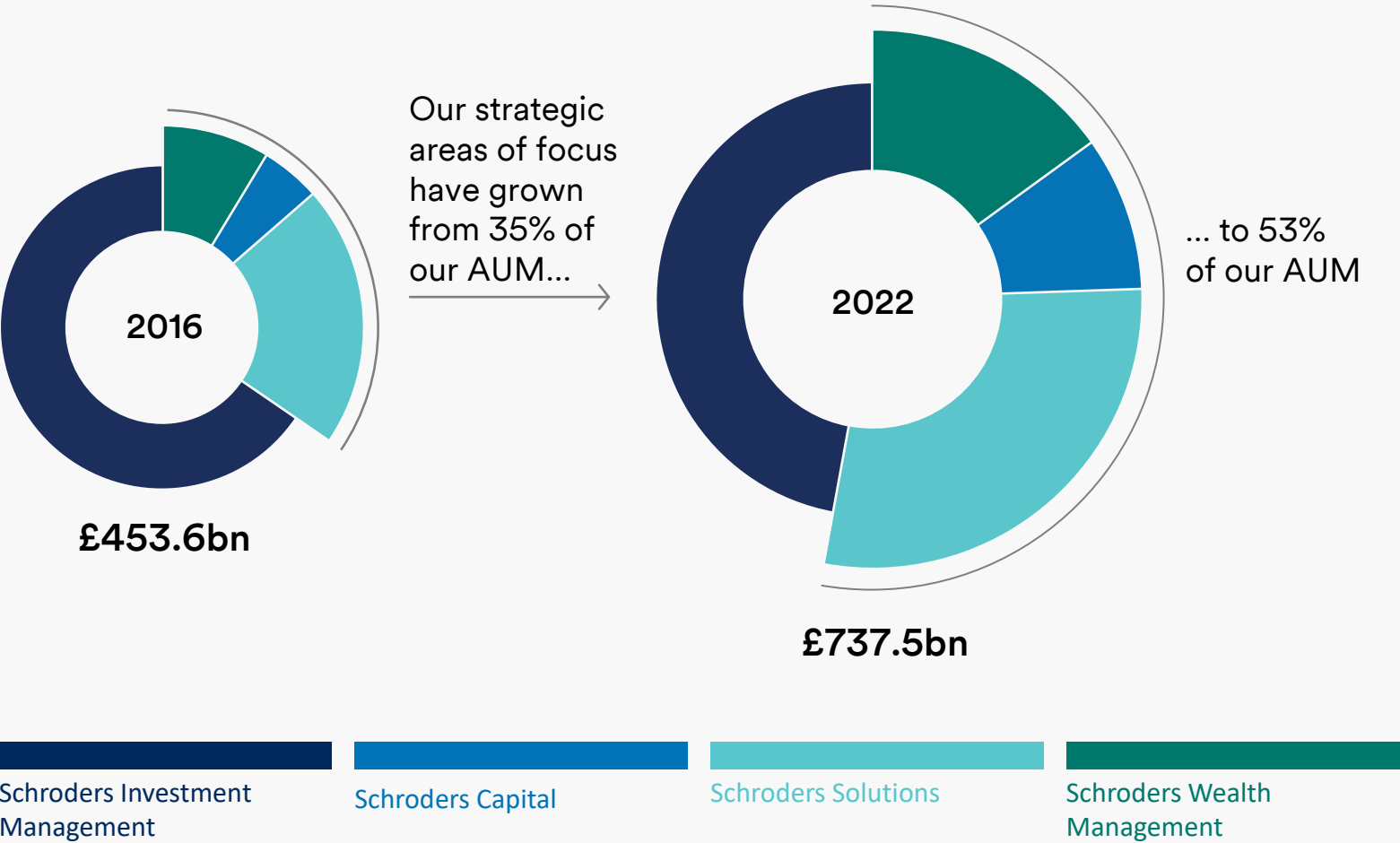
Private debt
Private equity
Infrastructure
Real estate
Alternatives

Optimising the core of our business by focusing on high-growth areas.

India, China and South America
Sustainability
Thematics

Evolving composition of our assets under management

Operating revenue contribution up from 31% in 2016 to 46% in 2022



Solid financial performance

Supported by our strategic growth areas

	2022	2021	Change
Net operating revenue excl. performance fees and net carried interest (£m)	2,301.9	2,276.8	1%
Net operating income (£m)	2,475.5	2,520.0	(2%)
Operating profit (£m)	723.0	841.0	(14%)
AUM (£bn)	737.5	766.7	(4%)
Net new business excl. joint ventures and associates (£bn)	(1.6)	17.2	–
Net new business (£bn)	(7.6)	37.3	–
Basic operating EPS (pence)	37.4	43.0	(13%)
Dividend per share (pence)	21.5	21.4	–

Operating profit of £723.0m after strong 2021

Marginal negative net new business in tough market environment

Strategic growth areas generated NNB of £11.8bn

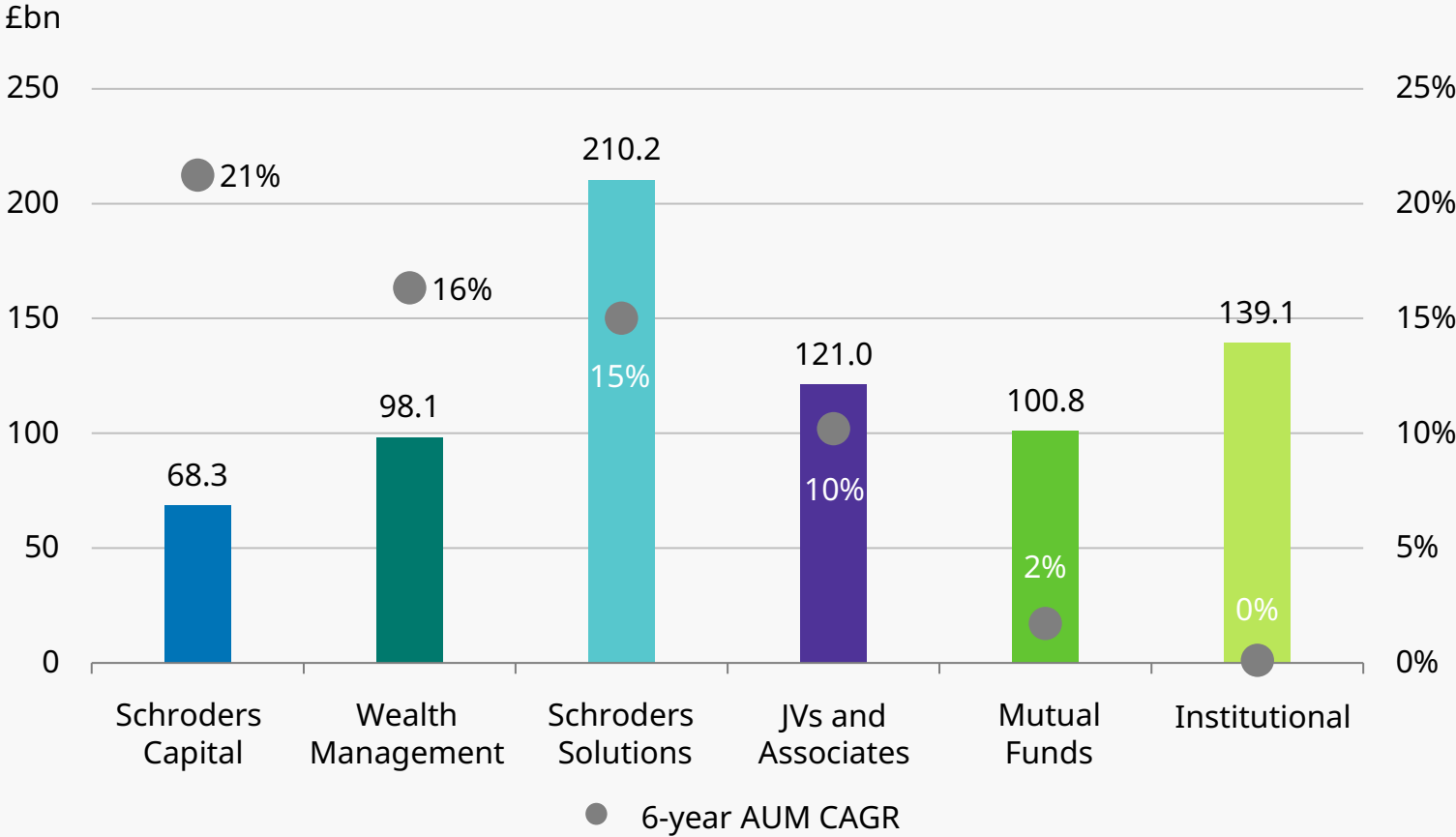
Delivering strong active investment performance for our clients



Our strategic transformation continues

High quality business areas driving growth

AUM and CAGR by strategic growth area



6-year operating revenue CAGR

Wealth Management: 10%
Schroders Capital: 24%
Schroders Solutions: 7%

JVs and Associates share of profit¹ up from £21.5m in 2016 to £77.6m in 2022

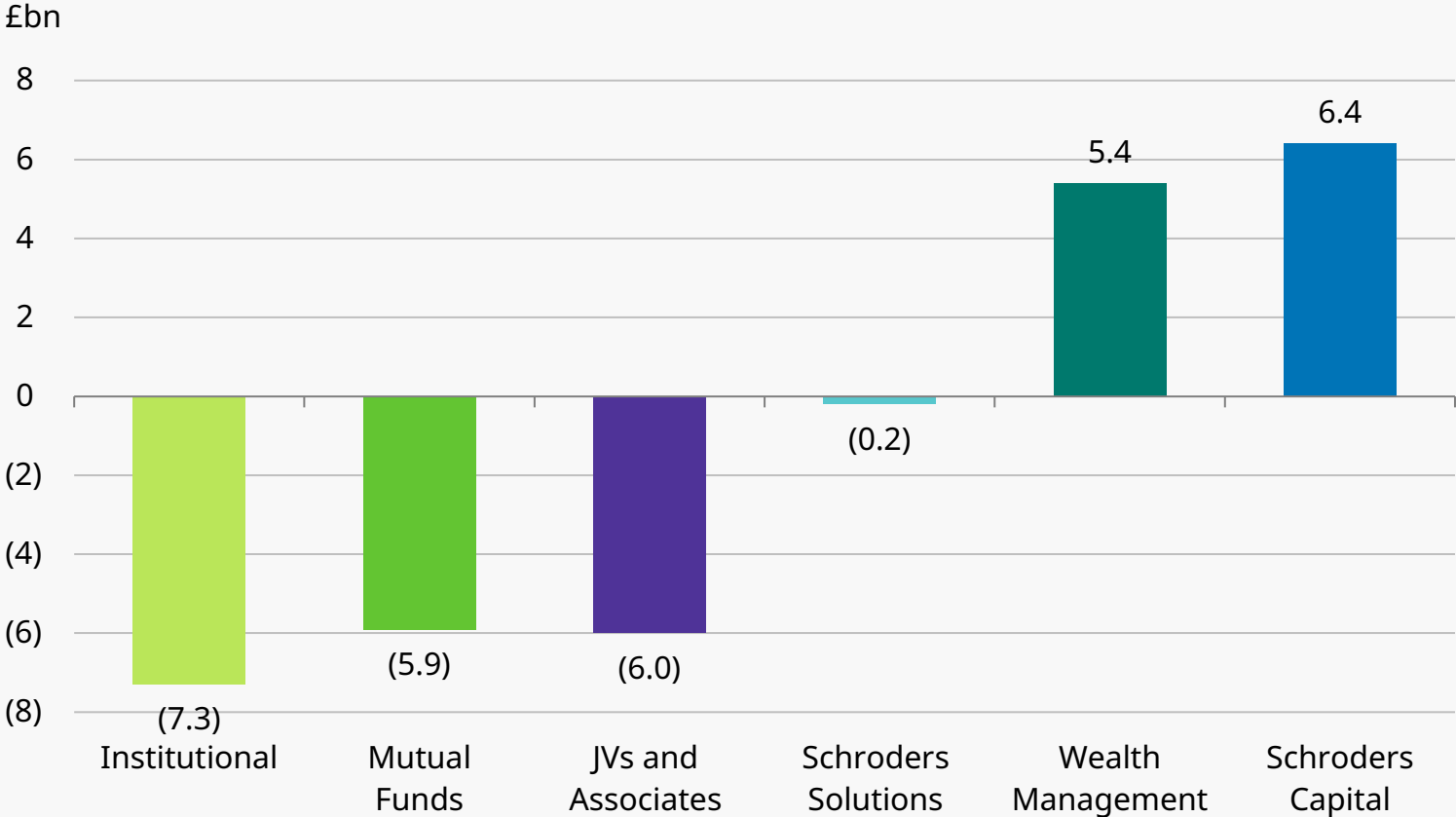
Transformation has made the Group stronger

7 ¹Excludes amortisation of acquired intangible assets.

Flows impacted by cyclicalality of markets

2023 has started positively, particularly in Schroders Solutions

NNB by business area



Wealth Management¹, Schroders Capital and Schroders Solutions generated NNB of £11.6bn

Q4 outflows driven by JVs and Associates and DB pension clients

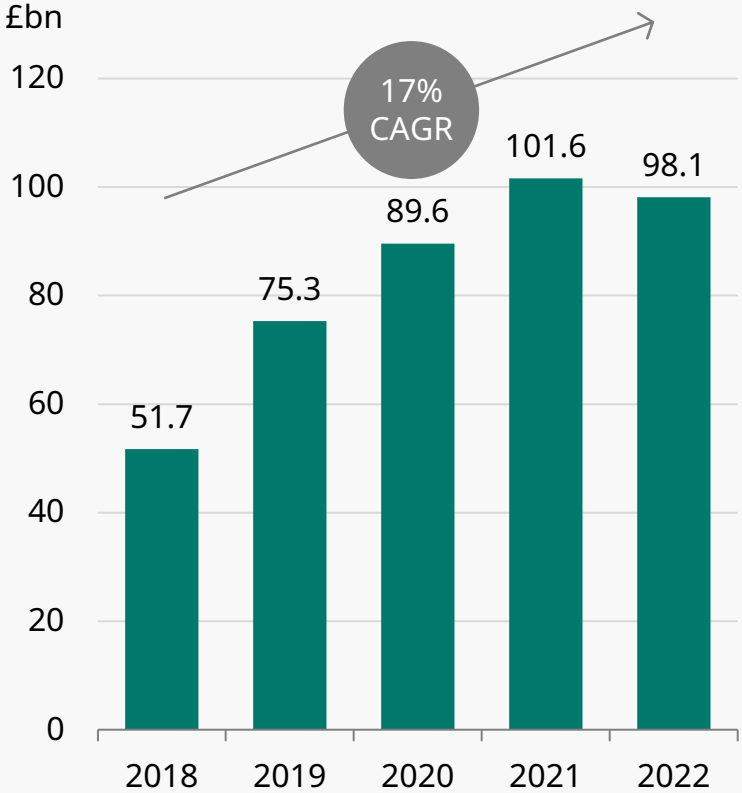
Schroders Solutions successfully navigated the gilt crisis

Client sentiment improving YTD

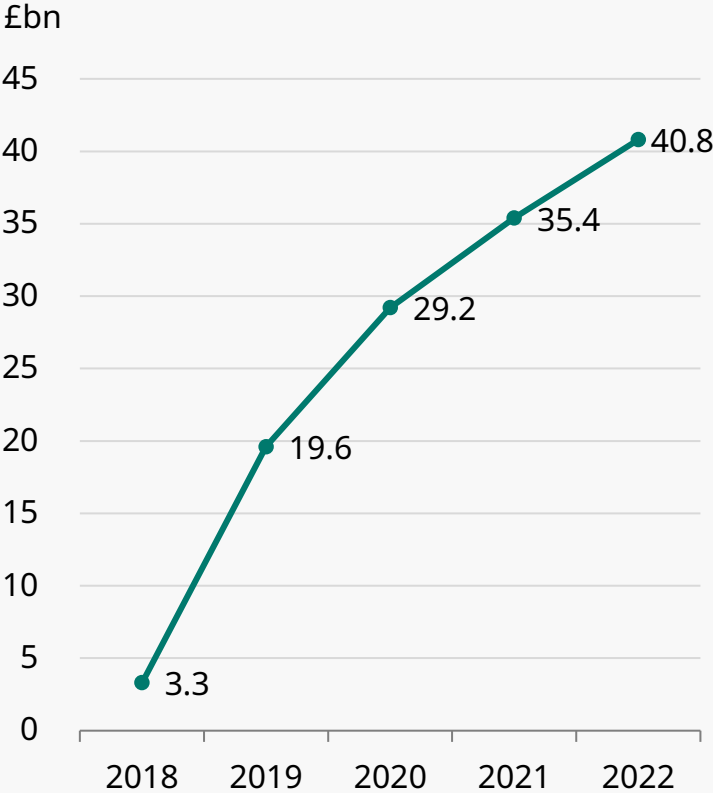
8 ¹Wealth Management business area excludes SPW.

Wealth Management saw particularly strong growth

Wealth Management AUM (restated)



Wealth Management cumulative NNB



Advised organic growth rate of 6.6%

Total of 2,126 advisers across three businesses

Schroders Wealth Management investor seminar on 13 June 2023

A growing wealth platform

Servicing clients from UHNW, HNW, affluent to B2B technology

Cazenove Capital

AUM £59.8 billion

215 advisers
(up 16 vs. 2021)

8% advised organic growth rate

Now present in six regions outside
of London and the South East

Schroders Personal Wealth

Managed AUM £12.4 billion	Advised AUM £13.3 billion
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Conversion rate of leads up from
9% to 13.2% during 2022

9% gross new business

Successful presentations up 8%
since 2021 to 7,522

Benchmark

AUM £25.9 billion

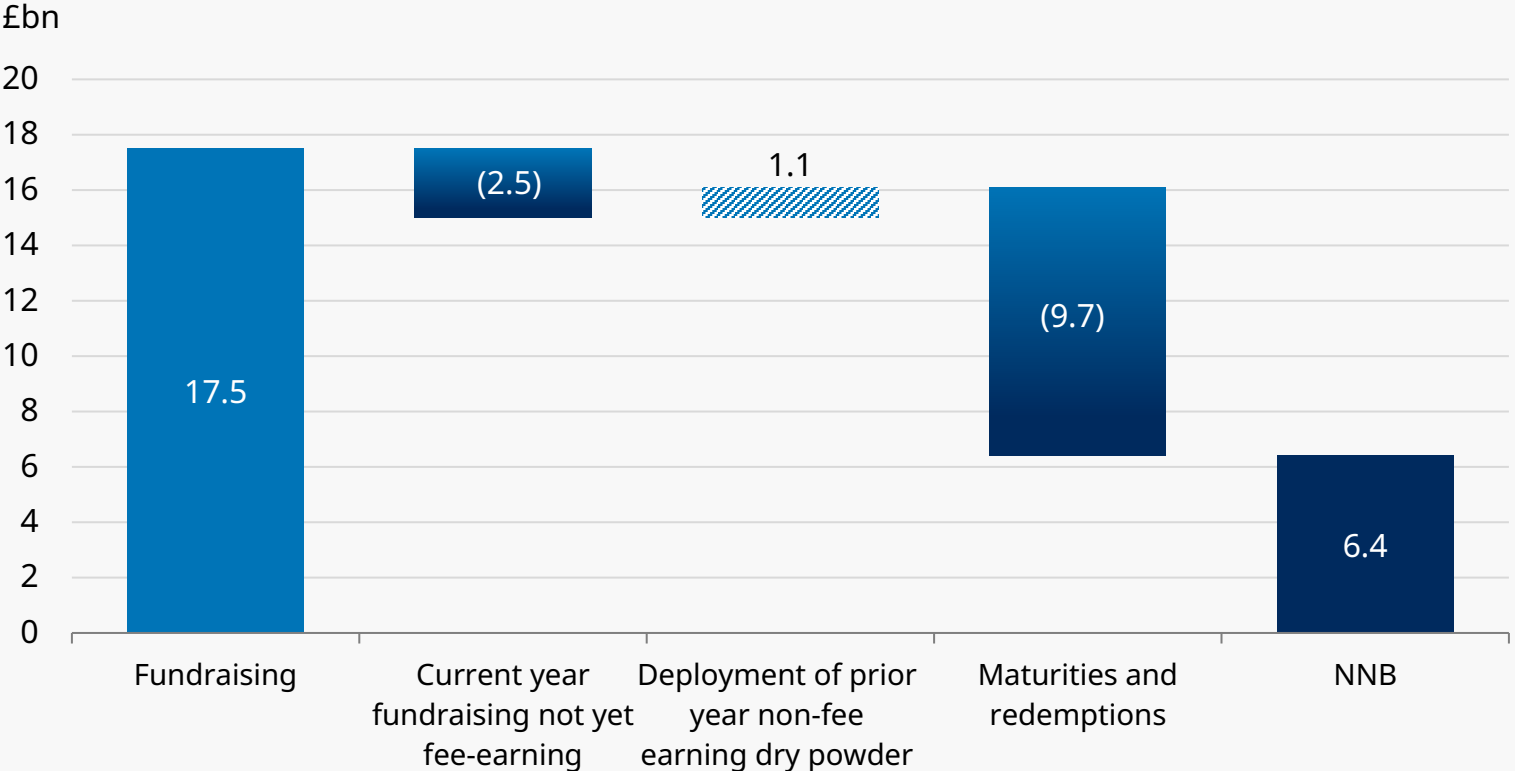
1,272 advisers
(up 50 vs. 2021)

6% organic growth rate

Number of adviser firms up
10% to 171

Record fundraising year for Schroders Capital

Schroders Capital fundraising and NNB



£17.5bn
raised in 2022

£12.4bn
raised in 2021

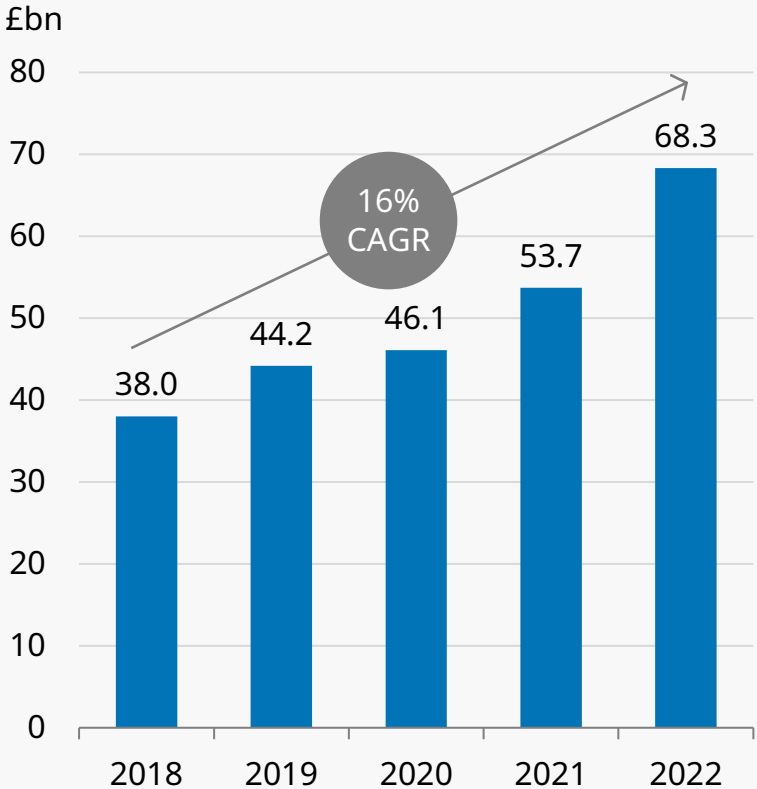
+149
new clients

34%
Fundraising rate¹

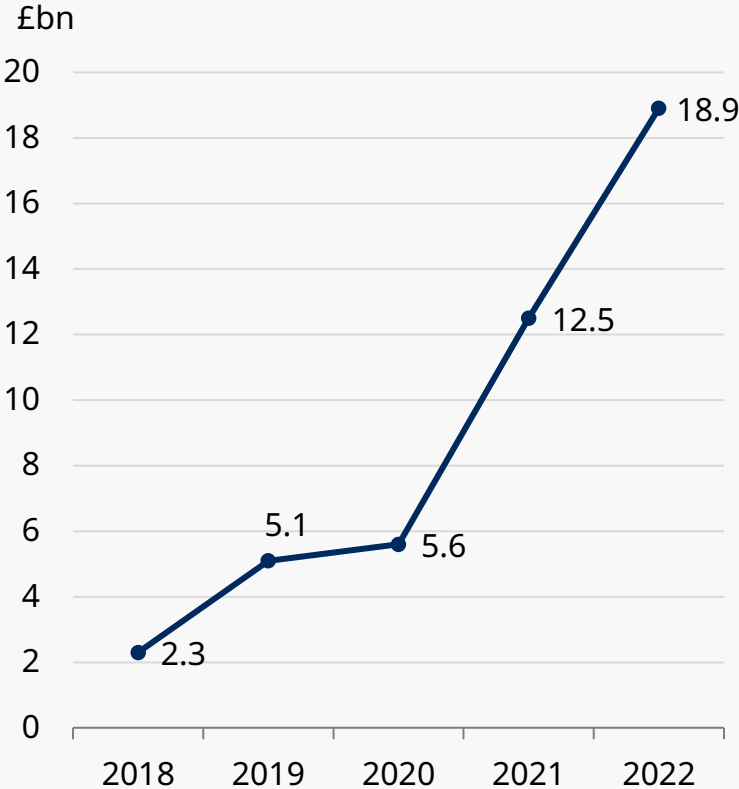
11 ¹Fundraising rate is fundraising as a % of opening AUM.

Schroders Capital benefitted from demand for real estate and private equity

Schroders Capital AUM development



Schroders Capital NNB



£7–£10bn NNB target remains for 2023

Net sales impacted by DB pension selling of Securitised Credit

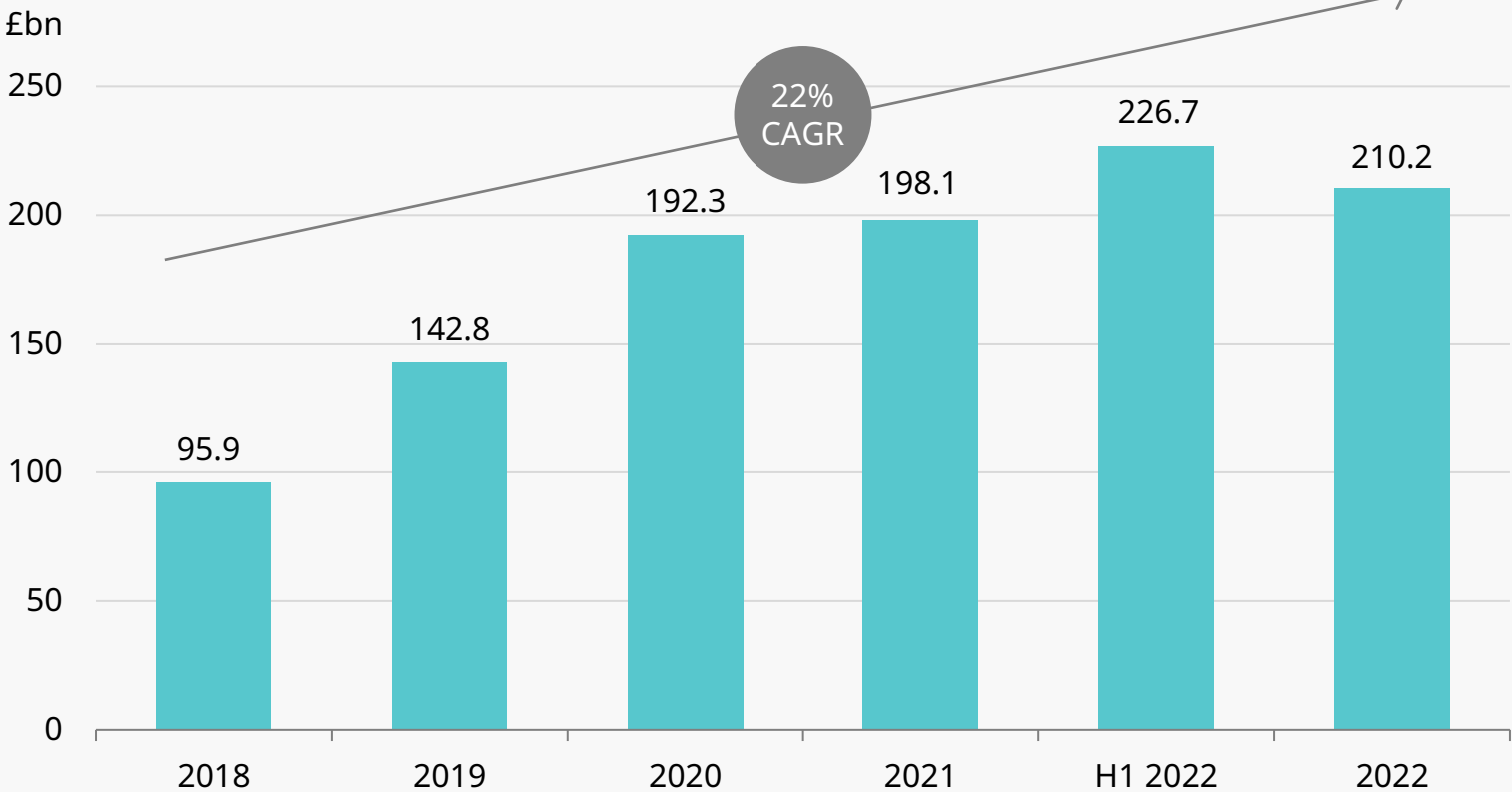
A whole-of-market private assets capability

£4.0bn of non-fee earning dry powder
(with £1.5bn to forecast be deployed in H1 23)

Schroders Solutions has navigated the gilt crisis well

Client liabilities are now reduced

Schroders Solutions AUM development



NNB impacted by partial Q4 withdrawals

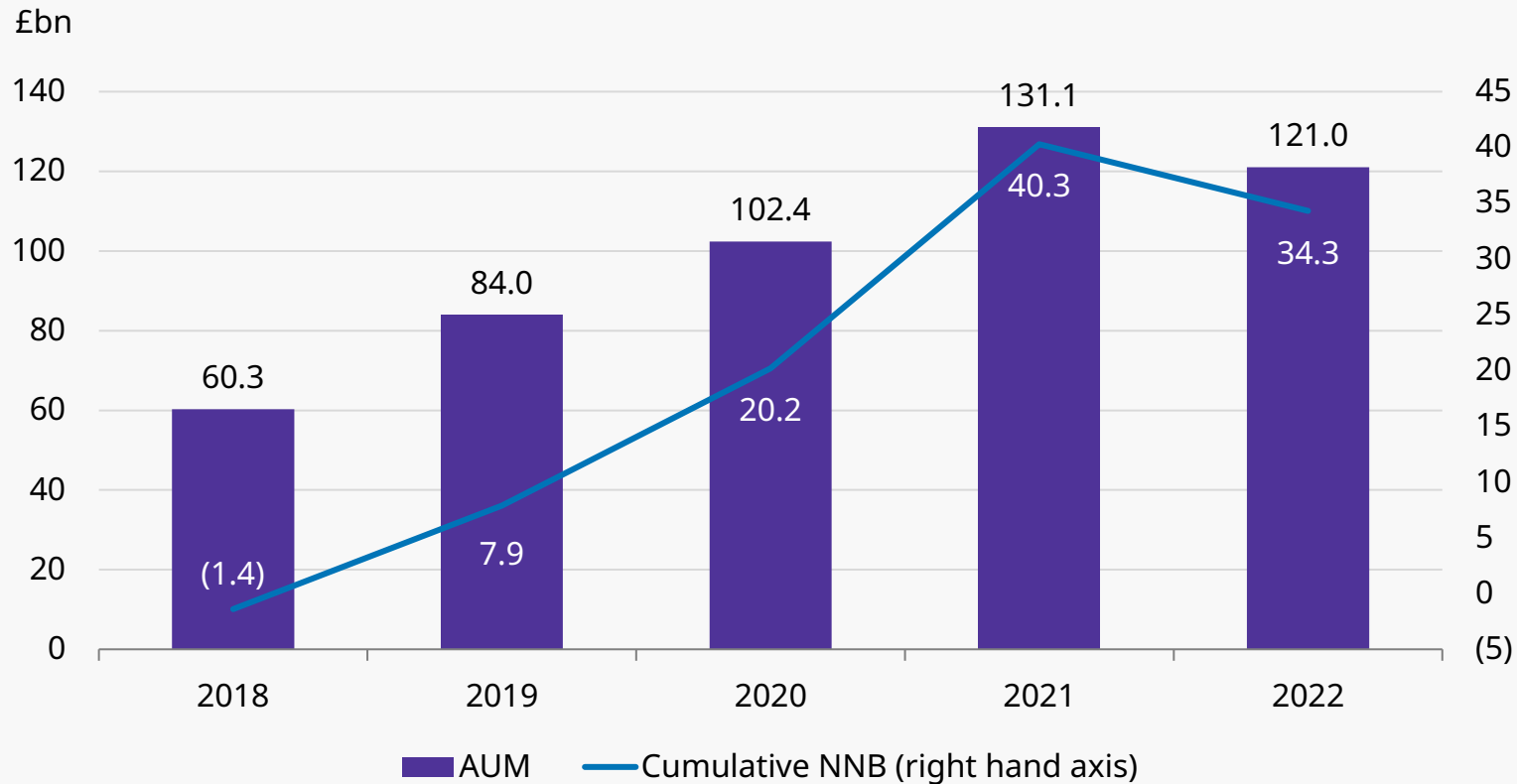
Significant cross-selling opportunities

River & Mercantile Solutions acquisition strategically important

Strong momentum with material NNB YTD and solid pipeline

Joint Ventures and Associates¹ driving long-term growth

AUM and NNB development

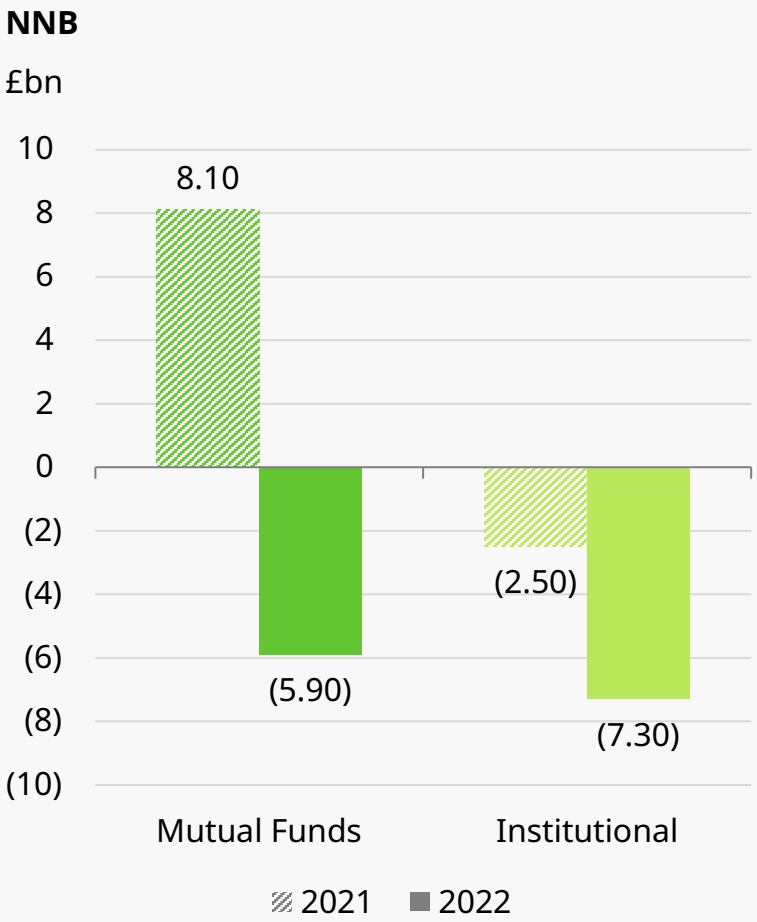


Cyclical high growth businesses in some of the fastest growing markets in the world

2020 NNB of £12.3bn
2021 NNB of £20.1bn
2022 NNB of -£6.0bn

2022 NNB was impacted by the FI dislocation in China

Mutual Funds and Institutional resilient given challenging environment



£2.2bn into Mutual Funds over last two years

Sustainable funds continue to be in high demand

Hartford net flows in the 2nd percentile of active managers

Positive H2 NNB in Institutional

China WMC generated £2.3bn of NNB

Received approval in January 2023 for establishment of a wholly-owned FMC

Acting with purpose

A rating by CDP
— top 2% of companies for action
and transparency on climate change

MSCI ESG Rating of
AAA
— top 13% of our sector
with a consistent score
for more than 5 years

Removed 2:1 degree
requirement for
early careers

Engagement Blueprint won
**‘ESG engagement
initiative of the year’**



One of the first asset
managers to have a
**validated science-
based target to
reduce carbon**

96%
of our people are
proud to work
for Schroders



Judge's Choice winner
at Citywire Gender
Diversity Awards

86%
public markets AUM
with better SustainEx™
score than benchmark

5,312
ESG engagements

90%
of our people agree
leadership care about
wellbeing

#1 financial
institution in
Forest 500
report for our action
on deforestation



95%
of renewable electricity
consumed by our owned
and leased offices globally

One of the
**Best Places to Work in
2023** by Glassdoor

Established
Akaria Natural Capital
with Conservation
International

£5.2 million
committed to charity

Pioneered natural
capital launching our
Plan for Nature

5th
in ShareAction's
Point of No Returns report
— up 2 places

Schroders

2022 FULL-YEAR RESULTS

2 March 2023

Richard Keers

Group Chief Financial Officer



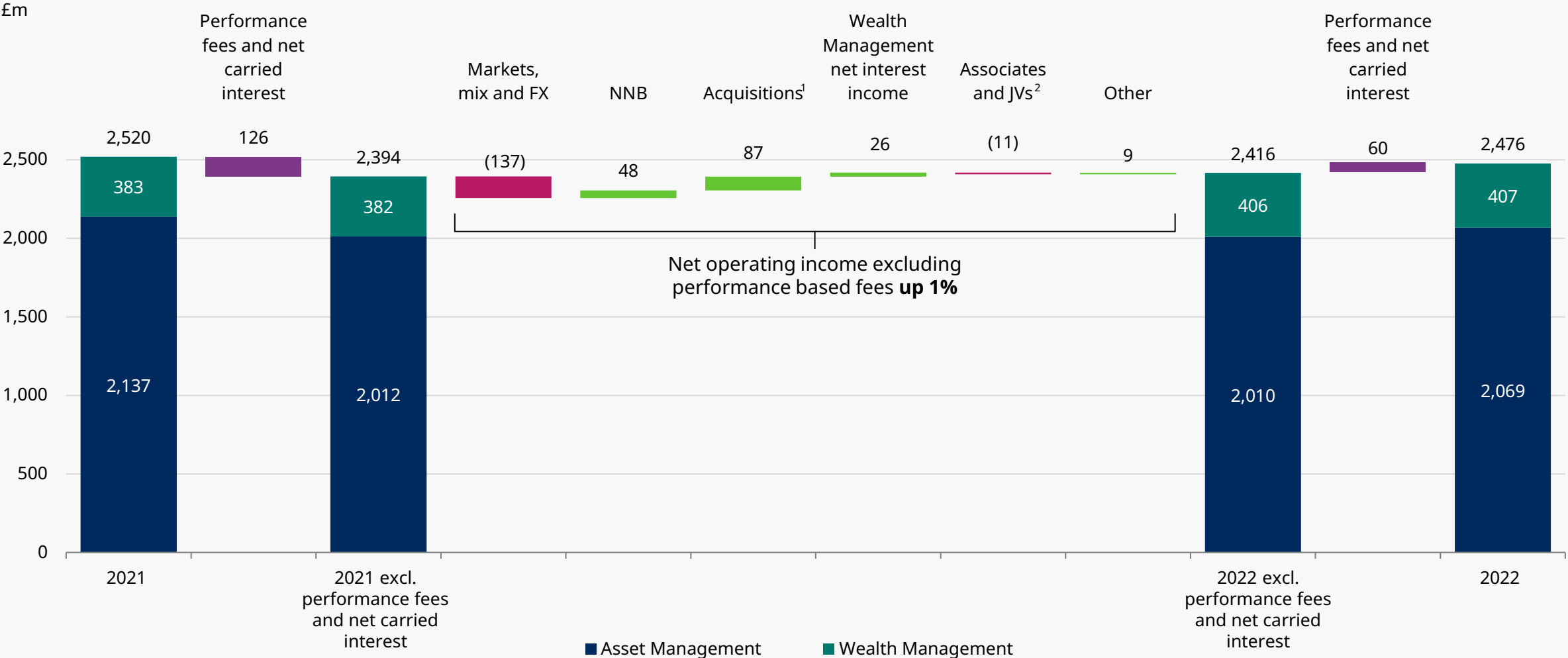
Results summary

	2022	2021	Change
Net operating revenue excl. performance fees and net carried interest (£m)	2,301.9	2,276.8	1%
Net operating income (£m)	2,475.5	2,520.0	(2%)
Operating profit (£m)	723.0	841.0	(14%)
Basic operating EPS (pence)	37.4	43.0	(13%)
Total dividend per share (pence)	21.5	21.4	0.5%

Net operating revenue from strategic growth areas¹ up 11% year-on-year

Net operating income

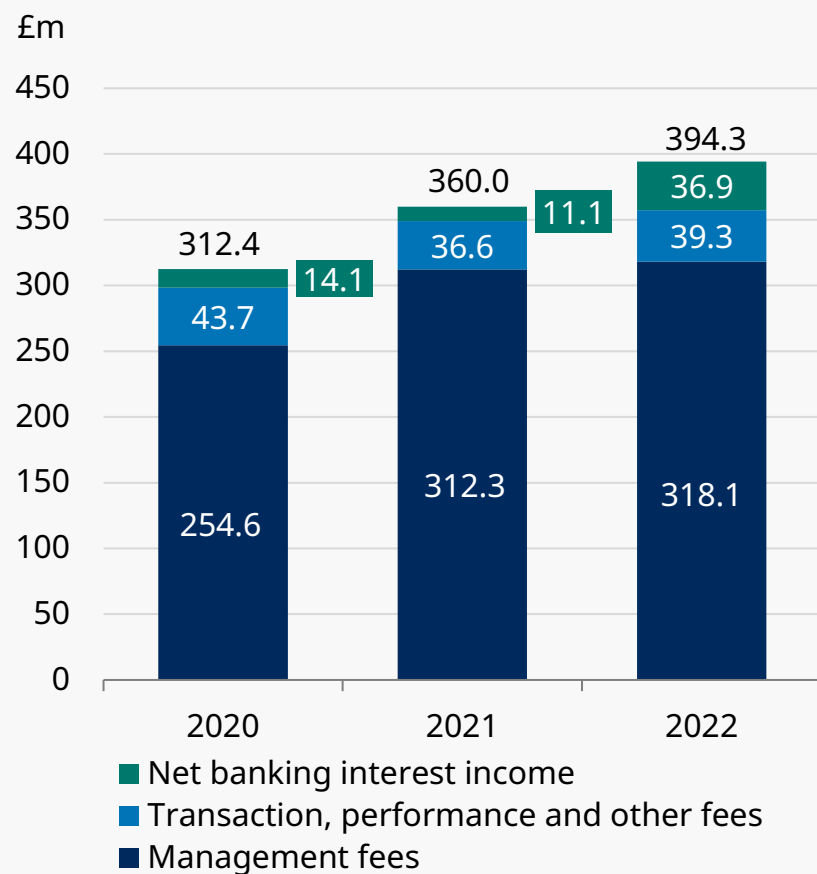
Net operating income bridge



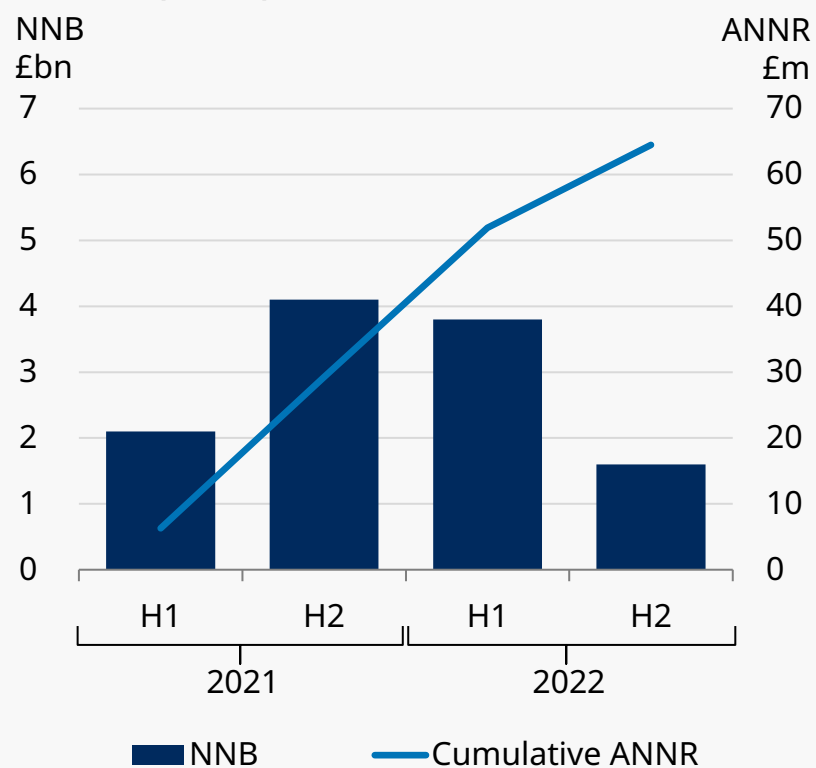
¹Acquisitions principally relate to River and Mercantile Group's UK Solutions Division (now part of Schroders Solutions) and Greencoat Capital (now Schroders Greencoat).
²Excludes amortisation of acquired intangible assets.

Wealth Management

Net operating revenue



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



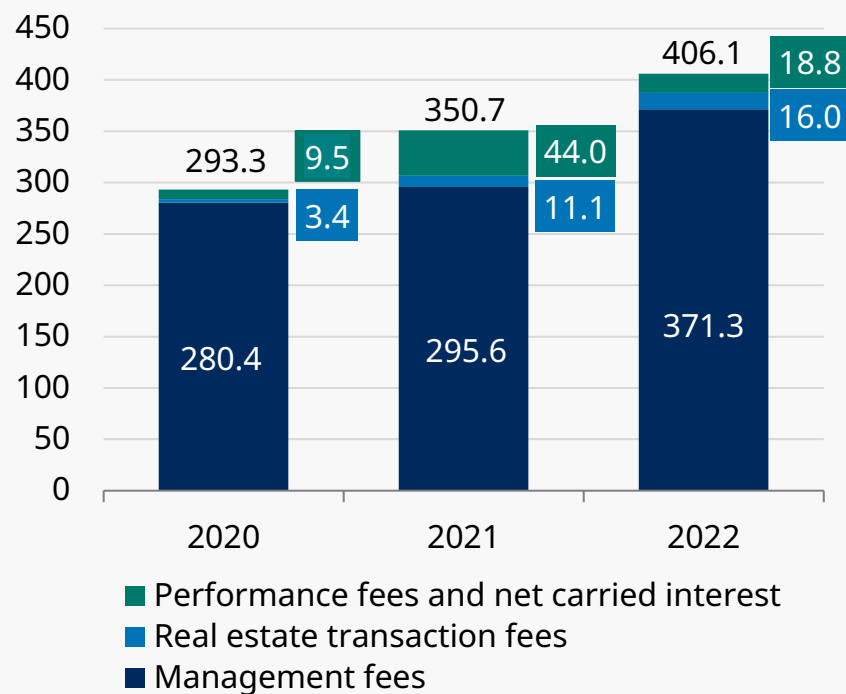
FY 2022	Average AUM £bn	Net operating revenue £m	Margin bps ¹
Advised	60.1	331.2	55
Platform	17.7	25.8	15
Managed	20.5	37.3	18
Total	98.3	394.3	40

FY 2021	Average AUM £bn	Net operating revenue £m	Margin bps ¹
Advised	57.5	295.7	51
Platform	17.5	26.4	15
Managed	20.1	37.9	19
Total	95.1	360.0	38

Schroders Capital

Net operating revenue

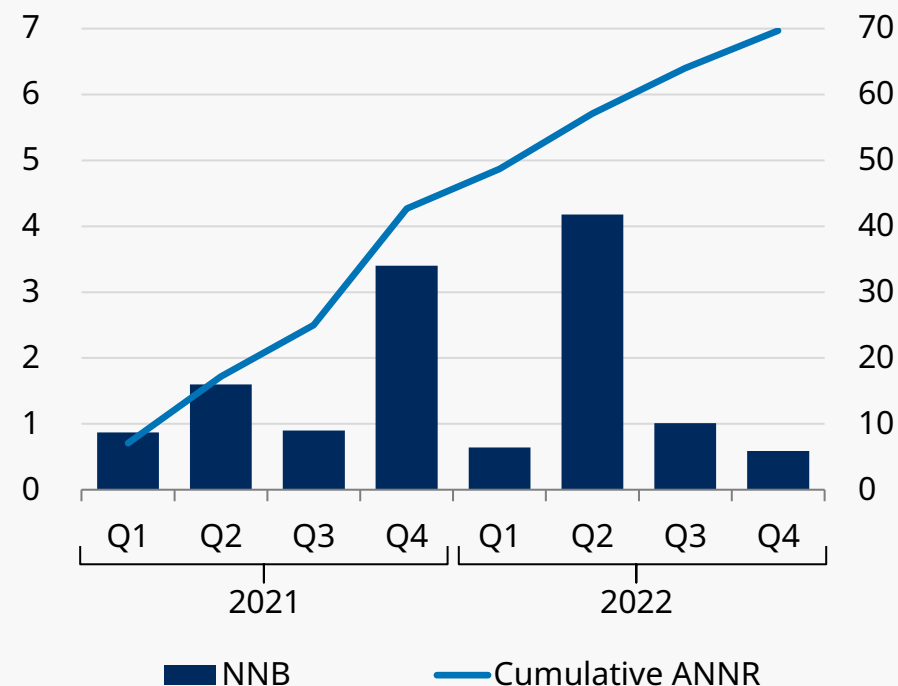
£m



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

NNB

£bn



Net operating revenue margin¹

61bps

FY 2021: 62bps²

Average AUM

£63.4bn

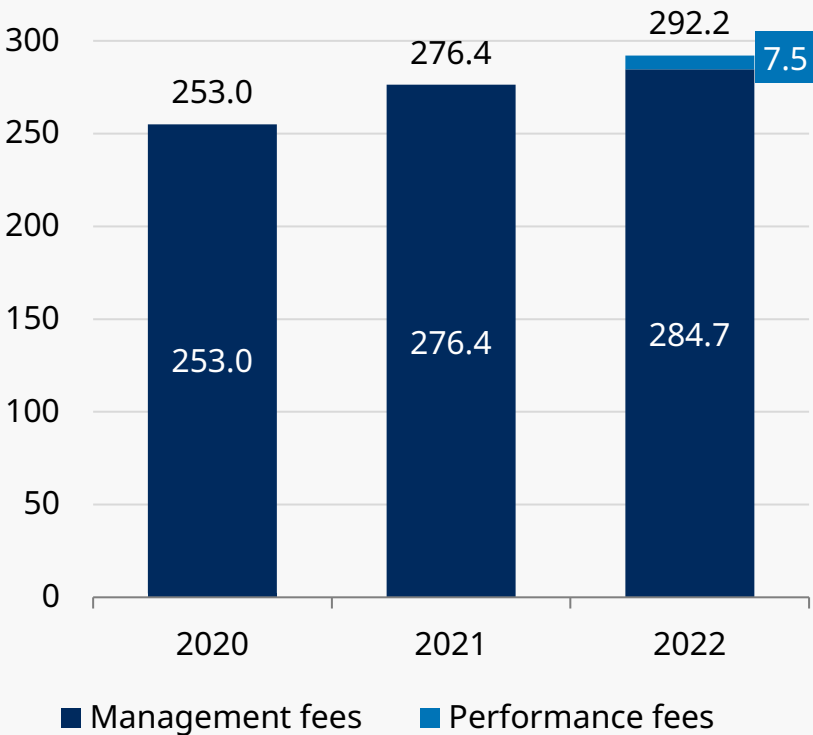
FY 2021: £46.9bn

¹Excluding performance fees and net carried interest.

²2021 margins have not been restated. Emerging Markets Debt and Commodities have been transferred to the Mutual Funds and Institutional business areas in 2022.

Schroders Solutions

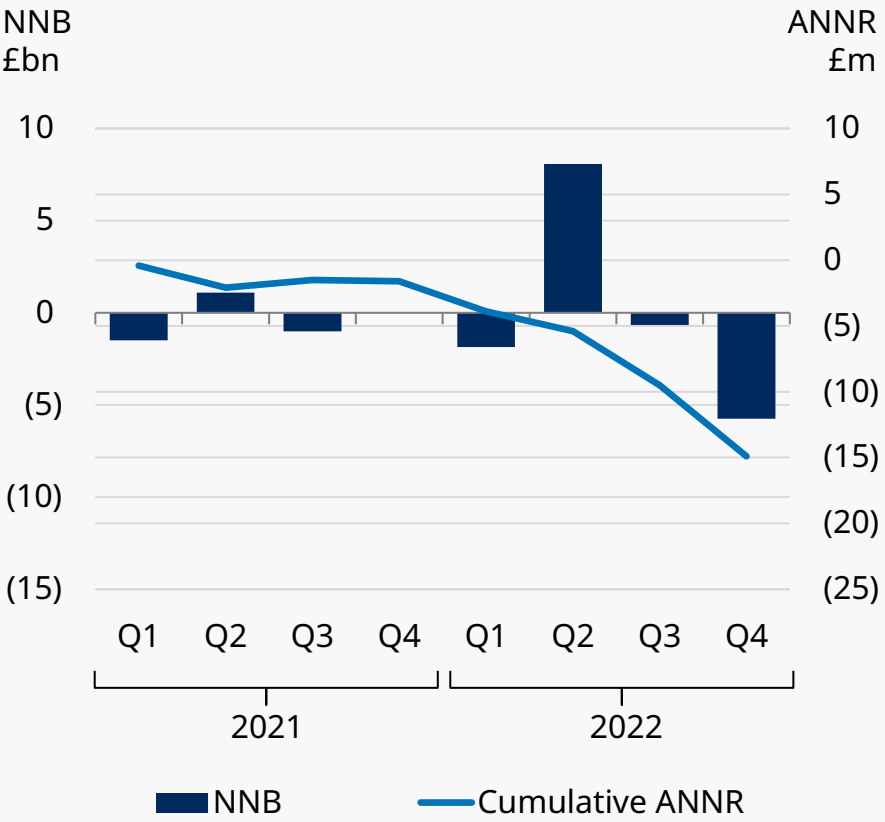
Net operating revenue
£m



■ Management fees ■ Performance fees

22 ¹Excluding performance fees.

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



■ NNB — Cumulative ANNR

Net operating revenue margin¹

13bps

FY 2021: 14bps

Average AUM

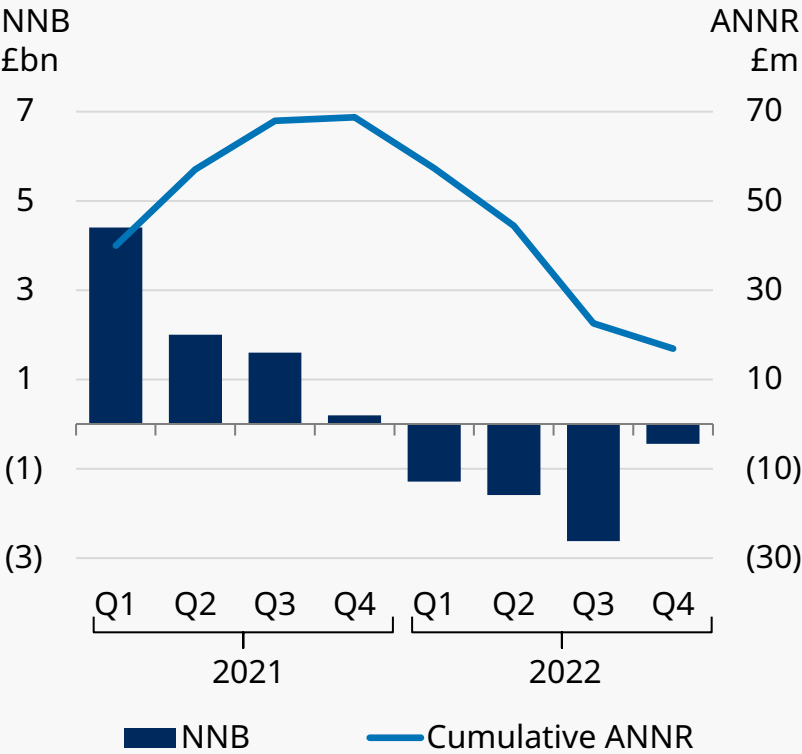
£225.0bn

FY 2021: £201.7bn

Mutual Funds and Institutional

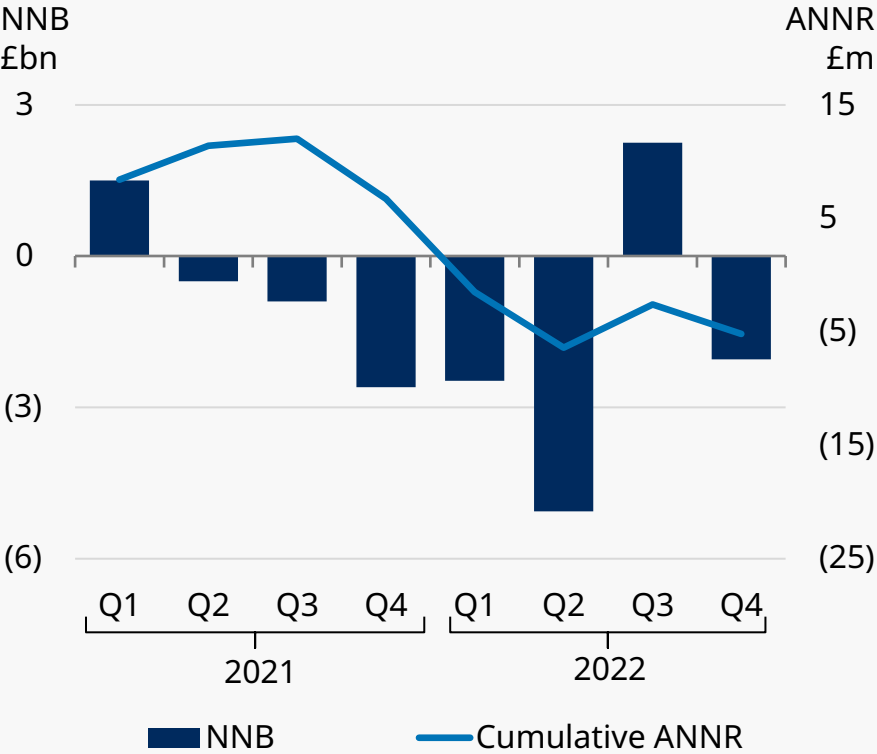
Mutual Funds

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



Institutional

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



Mutual Funds

Net operating revenue margin¹

71bps

FY 2021: 72bps

Institutional

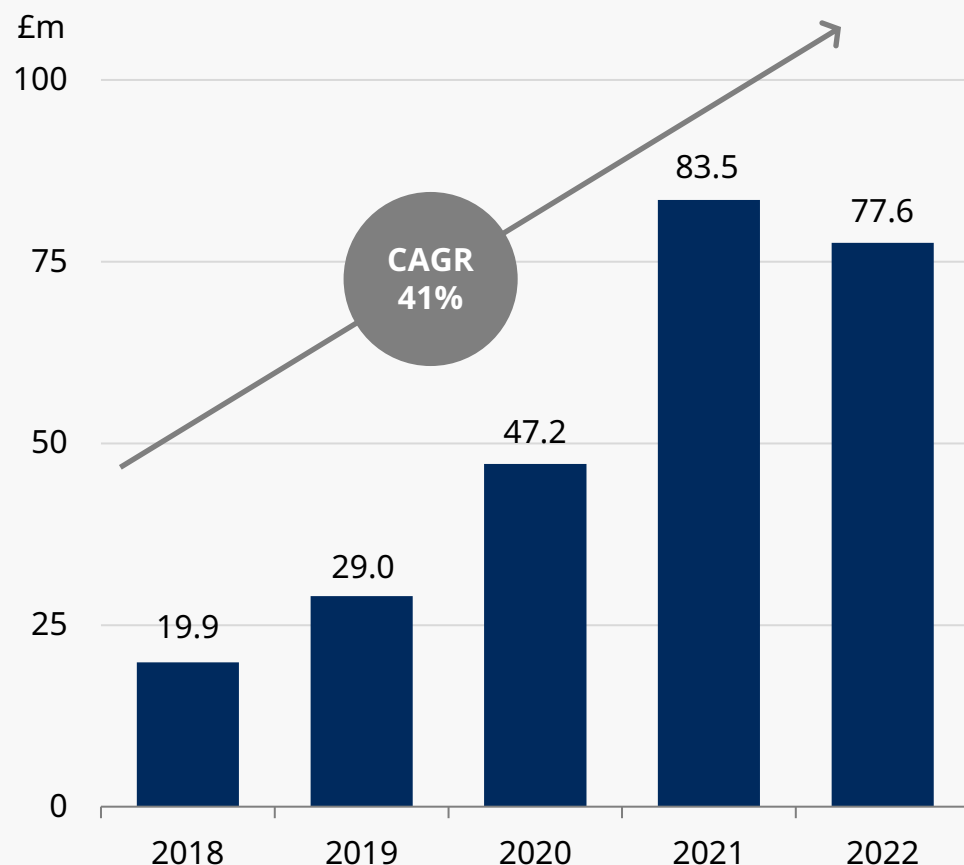
Net operating revenue margin¹

34bps

FY 2021: 31bps

Interests in Joint Ventures and Associates

Share of profit of Joint Ventures and Associates¹



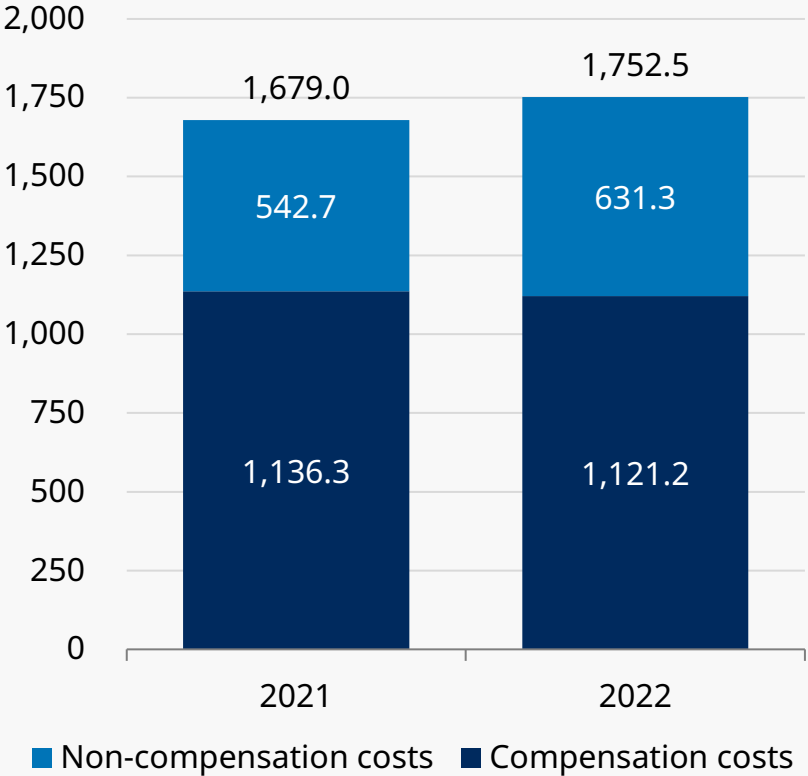
	FY 2022							
	BoCom	Axis	Other AM	Asset Mgmt	SPW	Other WM	Wealth Mgmt	Total
Net income (£m)	359.2	98.9	77.8	535.9	125.8	14.2	140.0	675.9
Profit after tax (£m)	191.0	43.2	26.6	260.8	6.2	2.2	8.4	269.2
Group's share of profit (£m) ¹	57.3	10.8	5.5	73.6	3.1	0.9	4.0	77.6
Contribution to Group's PAT								16%
Revenue margin ²								41bps
AUM (£bn)								121.0

	FY 2021							
	BoCom	Axis	Other AM	Asset Mgmt	SPW	Other WM	Wealth Mgmt	Total
Net income (£m)	355.2	79.4	80.7	515.3	135.1	14.8	149.9	665.2
Profit after tax (£m)	201.4	36.7	18.8	256.9	16.9	3.4	20.3	277.2
Group's share of profit (£m) ¹	60.4	9.2	4.3	73.9	8.4	1.2	9.6	83.5
Contribution to Group's PAT								13%
Revenue margin ²								46bps
AUM (£bn) ³								131.1

Operating expenses

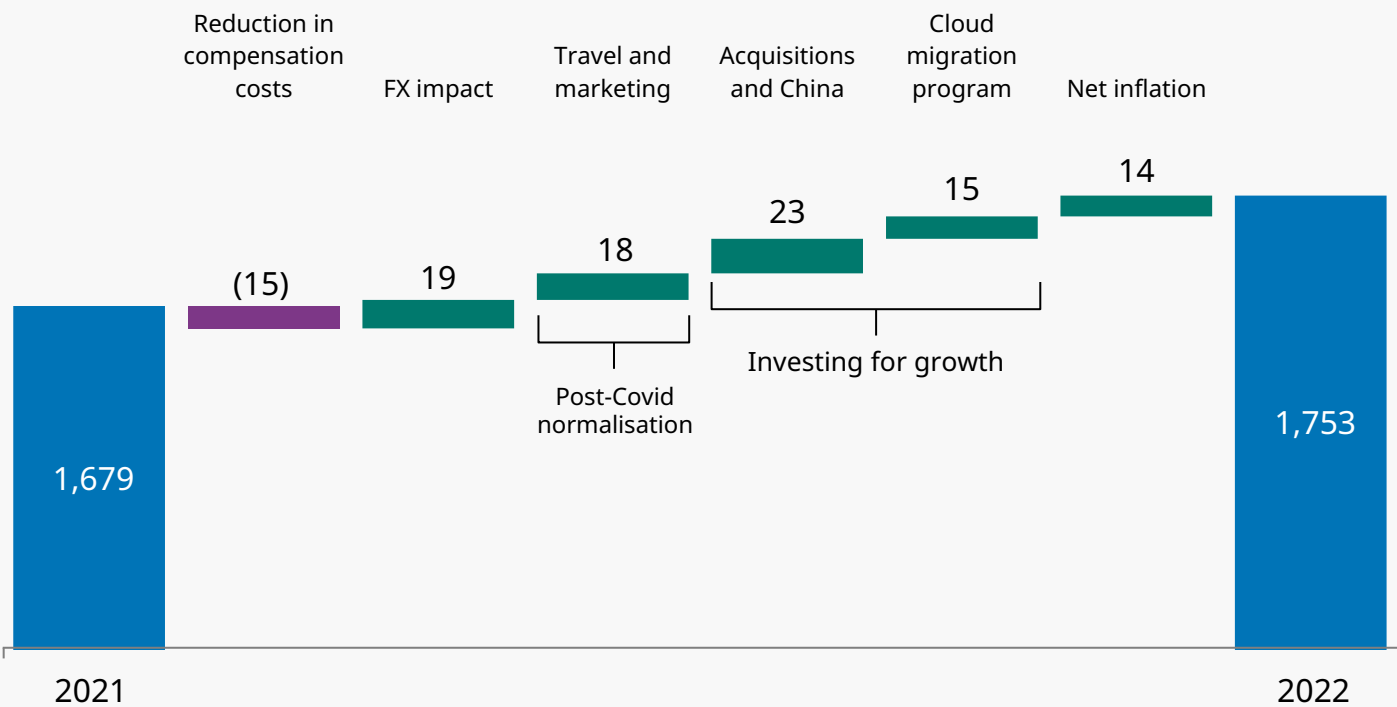
Compensation and non-compensation costs

£m



Total operating expenses

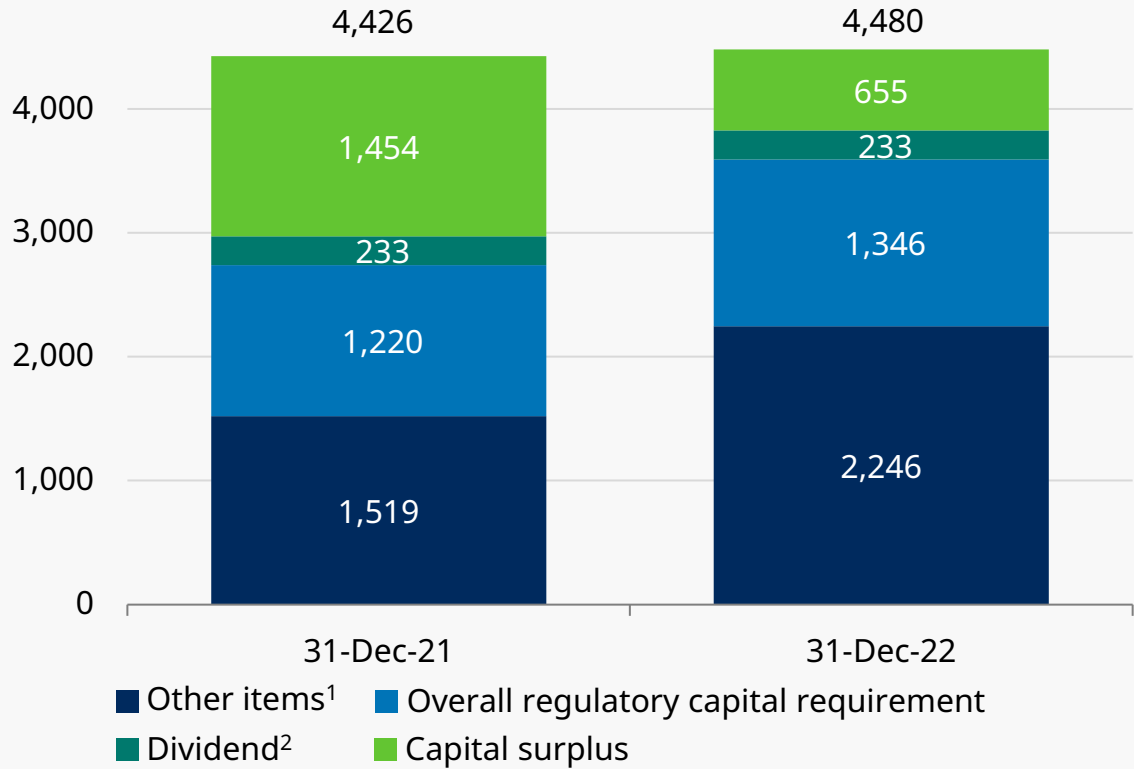
£m



Group Capital composition

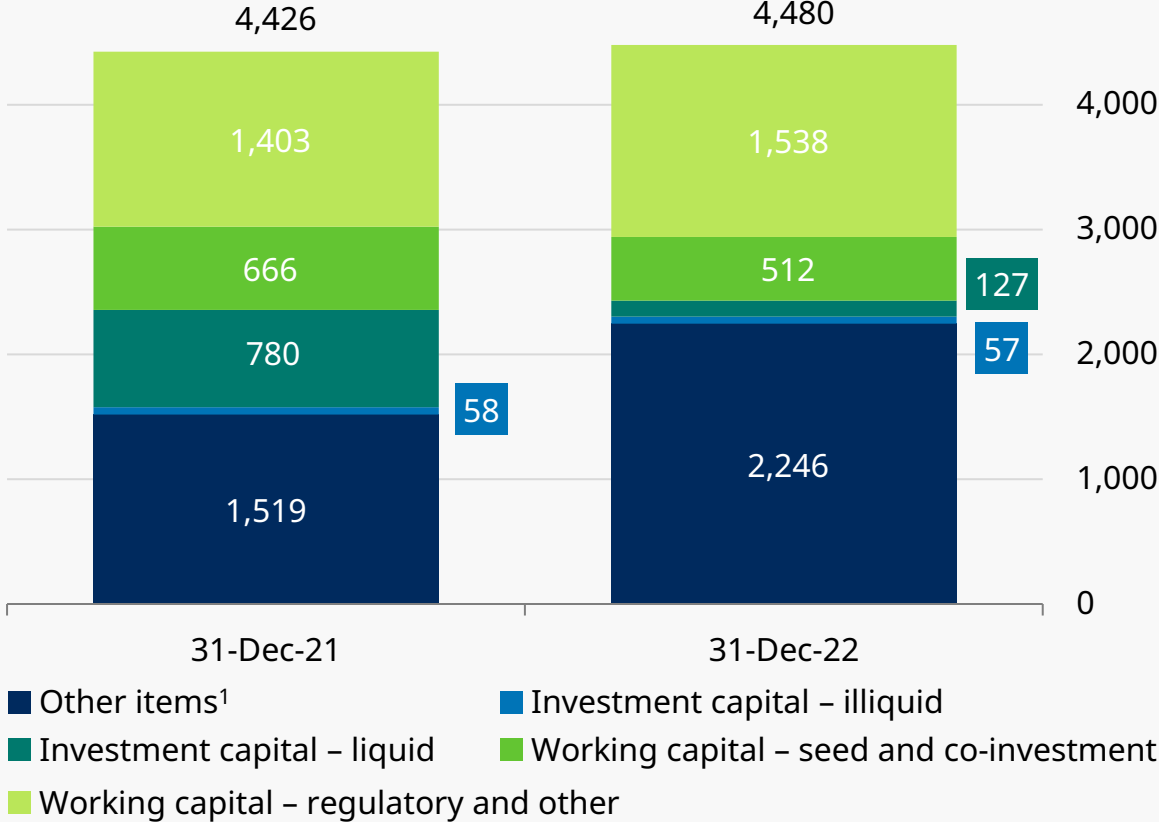
Capital base

£m



Capital allocation

£m



26 ¹Comprises regulatory deductions, principally goodwill, intangible assets, pension scheme surplus, goodwill and intangible assets on associates and joint ventures, deferred taxation and non-controlling interests. ²Final dividend proposed for the respective year.

Profit before tax

£m	2022	2021	Change
Operating profit	723.0	841.0	(14%)
Central costs	(48.8)	(53.6)	
Net (loss)/gain on financial instruments and other income	(6.7)	43.9	
Interest income/(expense)	5.8	(2.0)	
Acquisition costs and related items ¹	(86.4)	(65.2)	
Profit before tax	586.9	764.1	(23%)

Basic operating EPS²

37.4p

FY 2021: 43.0p

Final proposed
dividend² of

15.0p

¹Include deal costs associated with corporate transactions and costs associated with the integration of acquired businesses as well as amortisation of acquired intangible assets.

27 ²Prior periods have been restated following the simplification of the Company's dual share class structure in September 2022.

Schroders

OUTLOOK AND QUESTIONS

Peter Harrison

Group Chief Executive



Outlook for 2023 and beyond

**Our areas of strategic focus
will play an increasingly
important part of our success**

**Forecasts for the markets and
global economy remain mixed**

**Reiterating our ambition for
Schroders Wealth Management and
Schroders Capital**

**We are confident
in the businesses we have built
for the long term**

Schroders

THANK YOU



Forward looking statement

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