



Full year results 2021

Announced 1 March 2022

www.man.com

LSE:EMG



Introduction

Luke Ellis
Chief Executive Officer



2021 was a strong period of growth

\$148.6bn

AUM

- Strong investment performance of \$12.5 billion for our clients
- Record net inflows of \$13.7 billion, driven by existing and new clients

+52%

Core MF EPS growth

- Core management fee EPS of 15.7¢, driven by solid management fee growth
- Good momentum into 2022, with run rate net management fees of \$939 million at Dec-21

+139%

Core EPS growth

- Core EPS of 38.7¢, driven by very strong performance fees and operating leverage
- Peak performance fee eligible AUM of \$60.2 billion; good performance fee potential for 2022

\$544m

Shareholder returns¹

- Total dividend of 14.0¢ per share for 2021, 32% higher than 2020
- \$350 million of share repurchases announced in 2021, equivalent to 26¢ per share²

1. Announced dividends and share repurchases in relation to 2021

2. Calculated using the basic number of shares outstanding at 31 December 2021

Technology and talent drive our business

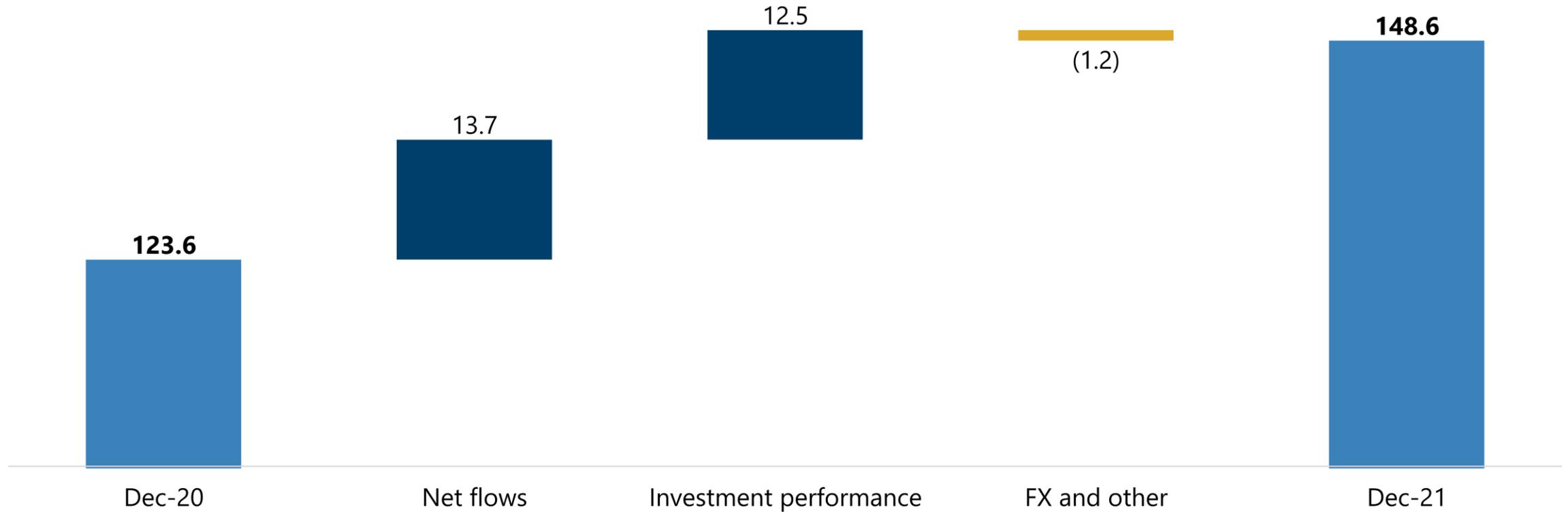
**We are a
technology-driven
investment firm**

**Connecting talent
and technology
powers our
performance**

**Our model
positions us well
for future growth**

Record net inflows and strong investment performance drove growth

Assets under management (AUM), \$bn



Record net inflows, across both alternative and long-only

Net flows

	2020 \$bn	2021 \$bn	
Alternative	+4.3	+9.4	<ul style="list-style-type: none"> Continued inflows into our alternative strategies Driven by client demand for Man Institutional Solutions and AHL TargetRisk
Long-only	-2.5	+4.3	<ul style="list-style-type: none"> Inflows into GLG High Yield and GLG Asia ex Japan Large, climate-focused win in systematic long-only
Total	+1.8	+13.7	<ul style="list-style-type: none"> Record net inflows, outperforming the industry by 9.8%¹

1. Based on asset-weighted industry net flows. Source: HFR, Morningstar, Man Group analysis

Strong investment performance across both categories

Investment performance

	Absolute \$bn	Relative \$bn	
Alternative	+5.4	+0.3	<ul style="list-style-type: none"> Absolute investment performance of 8.1% across the category Outperformed peers by 0.5%, driven by AHL TargetRisk
Long-only	+7.1	+1.8	<ul style="list-style-type: none"> Absolute investment performance of 13.4% across the category Overall outperformance of 3.8%, driven by value-oriented strategies
Total	+12.5	+2.1	<ul style="list-style-type: none"> Firmwide absolute investment performance of 10.4% Asset weighted outperformance of 1.9%¹

1. Relative performance versus peers is calculated using an asset-weighted average performance relative to peers for all strategies where we have identified and can access an appropriate peer composite. As at 31 December 2021 it covers 89% of the AUM of the firm and excludes infrastructure managed account mandates, Man Global Private Markets and collateralised loan obligations. Past performance is not an indication of future performance



Financial Highlights

Antoine Forterre
Chief Financial Officer



2021 was a strong period of growth

\$1,486m

Core net revenue

- \$877 million of core net management fees, 20% growth compared to 2020
- Core performance fees of \$569 million, highest in over 10 years

56%

Cost income ratio¹

- Fixed cash costs of \$323 million, reflecting continued investment in the business
- 40% compensation ratio, at the bottom of the expected range

\$658m

Core PBT

- Core management fee PBT increased by 48% to \$266 million
- Core performance fee PBT increased by 277% to \$392 million

\$907m

Net financial assets

- Strong and liquid balance sheet supports long-term growth
- Seed investments of \$648 million, investing in new strategies to grow the business

¹. Defined as: total costs / core net revenue

Record assets under management of \$148.6 billion

AUM, \$bn

	AUM at 31 Dec 2020	Net flows	Investment performance	FX & other	AUM at 31 Dec 2021
Absolute return	34.0	4.8	2.5	(0.1)	41.2
Total return	29.0	4.4	2.3	(0.3)	35.4
Multi-manager	14.2	0.2	0.6	-	15.0
Alternative	77.2	9.4	5.4	(0.4)	91.6
Systematic	27.8	3.3	5.3	(0.3)	36.1
Discretionary	18.6	1.0	1.8	(0.5)	20.9
Long-only	46.4	4.3	7.1	(0.8)	57.0
Total	123.6	13.7	12.5	(1.2)	148.6

\$12.5bn

Investment performance

+9.8%

Relative net flows¹

+1.9%

Relative performance²

1. Based on asset-weighted industry net flows. Source: HFR, Morningstar, Man Group analysis

2. Relative performance versus peers is calculated using an asset-weighted average performance relative to peers for all strategies where we have identified and can access an appropriate peer composite. As at 31 December 2021 it covers 89% of the AUM of the firm and excludes infrastructure managed account mandates, Man Global Private Markets and collateralised loan obligations. Past performance is not an indication of future performance

Continued net management fee growth

Core net management fees (NMF), \$m

	2020	2021	Dec-21 run rate
Absolute return	355	451	474
Total return	171	198	220
Multi-manager solutions	32	30	36
Alternative	558	679	729
Systematic	73	82	89
Discretionary	99	116	121
Long-only	172	198	210
Core net management fees	730	877	939
Margin, bps	65	66	63

+20%
NMF growth

\$939m
Run rate NMF at Dec-21

63 bps
Run rate NMF margin¹

1. Run rate net management fee margin reflects the large mandate in systematic long-only that funded in December 2021

Strong performance fee generation

Core performance fees (PF), gains on investments and FX, and PF eligible AUM

\$m	2016	2017	2018	2019	2020	2021
AHL Alpha	2	17	10	48	76	88
AHL Dimension	3	42	30	88	-	9
AHL Evolution	35	69	44	97	10	154
GLG absolute return	9	76	31	33	48	58
Other alternatives	17	31	9	57	41	224 ²
Long-only	15	54	3	2	4	36
Gains on investments and FX	31	44	(5)	20	20	27
Total	112	333	122	345	199	596
PF eligible AUM (\$bn)	36.2	45.1	39.5	44.2	49.0	60.2

\$60.2bn

PF eligible AUM

\$34.1bn

AUM at high-water mark

\$135m

PF accrued at Dec-21¹

1. Accrued and uncrystallised at December 2021, and due to crystallise in 2022

2. Includes \$150m of performance fees from Man Institutional Solutions, \$33m from AHL Diversified and \$18m from multi-manager solutions

Past performance is not an indication of future performance

Excellent operating leverage

Costs, \$m

	2020	2021	Change	
Costs	Fixed compensation	194	208	7%
	Variable compensation	257	388	51%
	Other cash costs	97	115	19%
	Asset servicing	55	58	5%
	D&A	48	46	(4%)
	Net finance expense	12	13	8%
	Total	663	828	25%
Key metrics	<i>Fixed cash costs¹</i>	291	323	11%
	<i>Compensation ratio</i>	48%	40%	
	<i>Cost income ratio²</i>	70%	56%	
	<i>Core PBT margin³</i>	30%	44%	

40%

Compensation ratio

44%

Core PBT margin³

\$355m

Fixed cash costs
2022 target

1. Includes fixed compensation and other cash costs

2. Defined as: total costs / core net revenue

3. Defined as: core profit before tax / core net revenue

Material earnings growth

P&L, \$m

		2020	2021	Change
Core net revenue	Core net management fees	730	877	20%
	Core performance fees ¹	199	596	199%
	Sub-lease income ²	18	13	(28%)
	Total	947	1,486	57%
Costs	Compensation costs	(451)	(596)	32%
	Other costs ³	(200)	(219)	10%
	Net finance expense	(12)	(13)	8%
	Total	(663)	(828)	25%
Core PBT	Management fees	180	266	48%
	Performance fees	104	392	277%
	Total	284	658	132%
Core EPS, ¢	Management fees	10.3	15.7	52%
	Total	16.2	38.7	139%

+57%

Core net revenue growth

+48%

Core management fee PBT growth

+139%

Core EPS growth

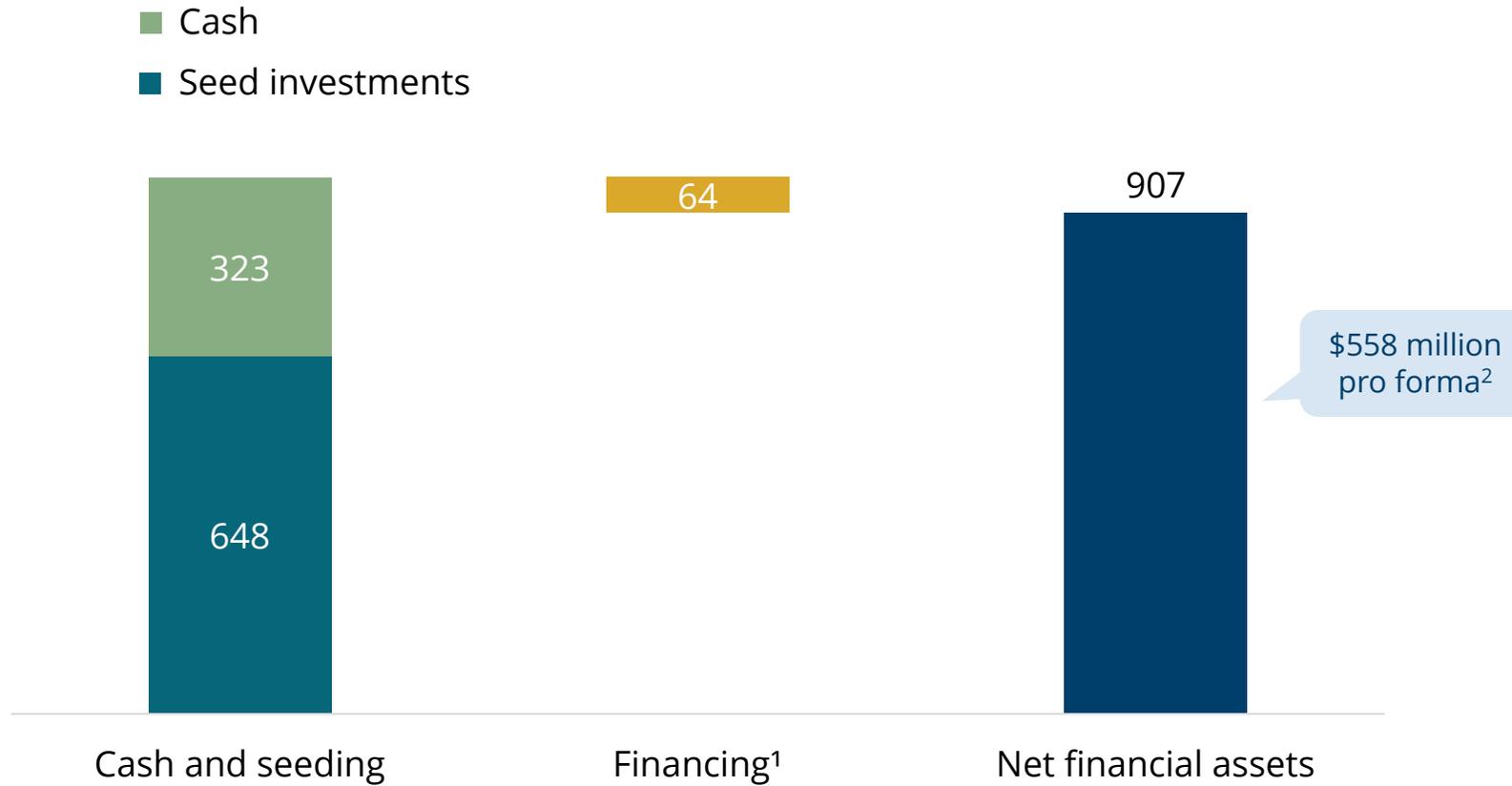
1. Includes gains on investments and FX of \$27m in 2021 and \$20m in 2020

2. Relates to sub-lease rental and lease surrender income

3. Includes D&A and asset servicing

Robust and highly liquid balance sheet

Net financial assets as at December 2021, \$m



\$907m
Net financial assets

16
New strategies seeded in 2021

M&A remains a focus

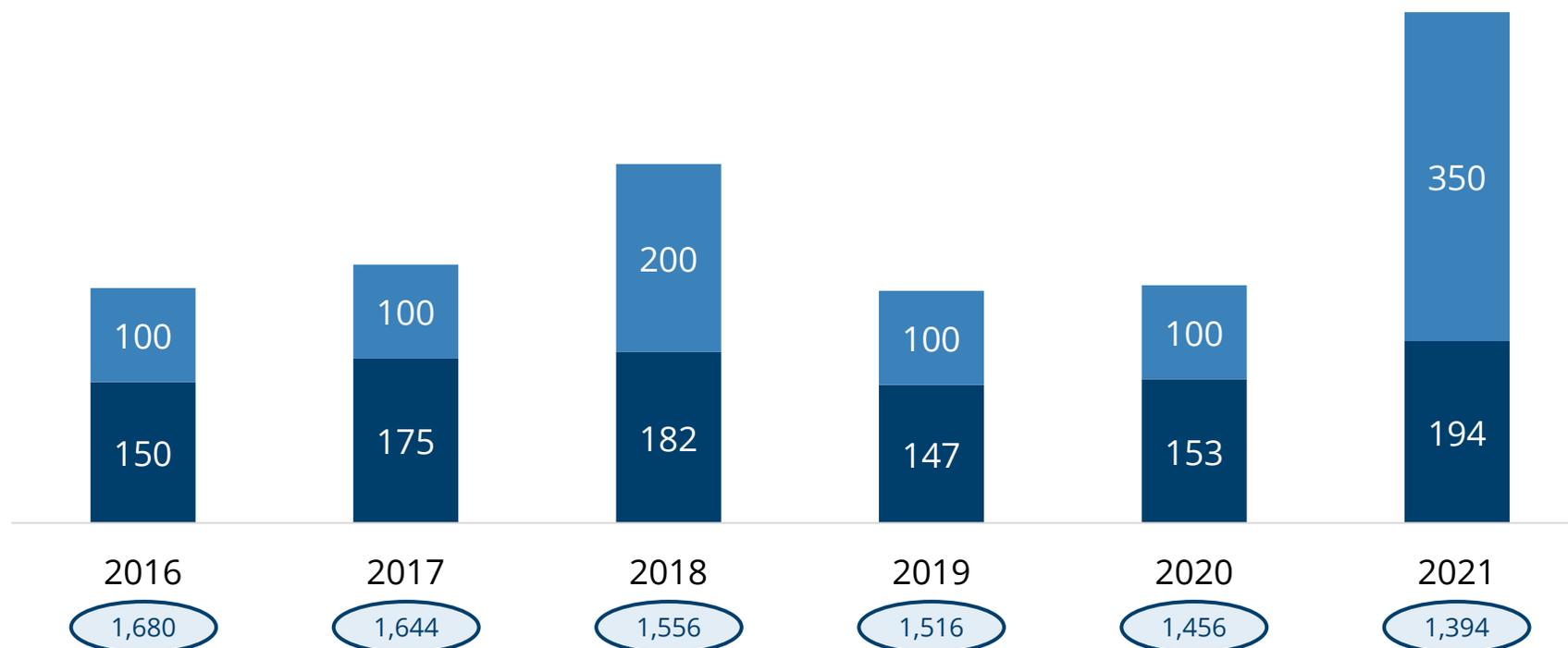
1. Financing comprises \$64m of payables under repo arrangements

2. Pro forma for the proposed 2021 final dividend and, as of 31 December 2021, the remaining \$234m of \$250m share buyback announced in December 2021

Growing, consistent capital returns

Dividends and share repurchases, \$m¹

- Dividends
- Share repurchases
- Number of shares²



\$544m
Shareholder returns
2021

\$2.0bn
Shareholder returns
2016-2021

17%
Reduction in share count²
2016-2021

1. Dividends are shown for the related financial year. Share repurchases are shown in the year of announcement

2. Basic number of shares at period end excluding treasury shares, in millions

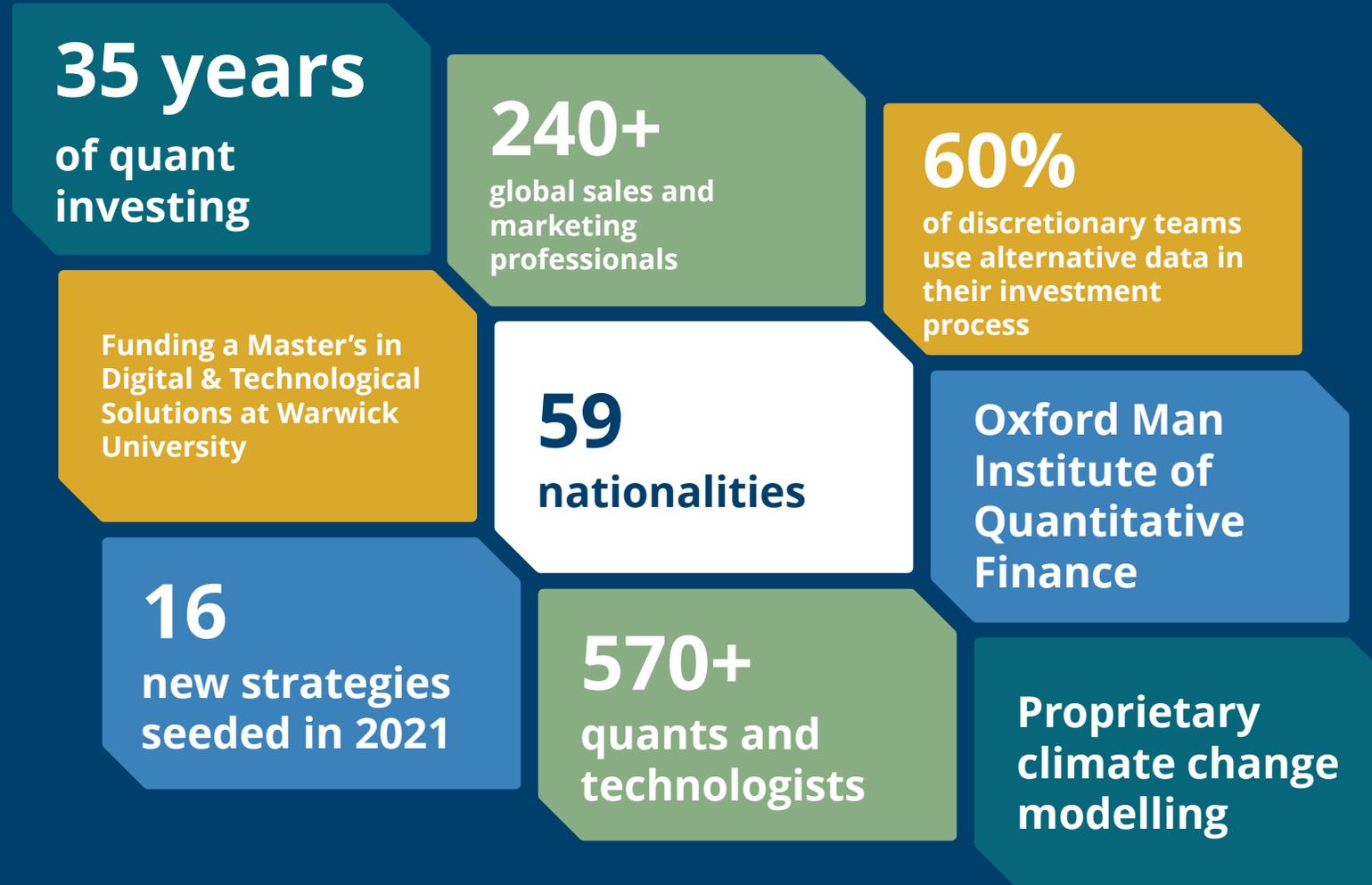


Positioning

Luke Ellis
Chief Executive Officer



Technology and talent drive our business



Well-positioned, in the current environment and for long-term growth

Broad range of **alpha-focused** investment strategies

75+

alternative and long-only strategies

Market leader in liquid alternatives, ranked #1 in Europe¹

82%

of our revenue from alternative strategies

Deep experience investing in non-traditional markets

800+

markets traded around the world, including crypto tokens

Strong history of investment performance

\$29bn

of absolute investment performance (2017-2021)

An inflationary environment provides opportunities

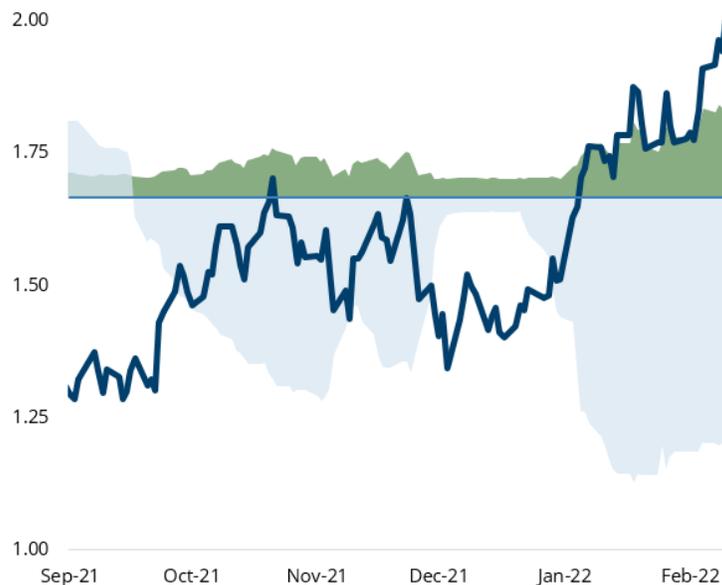
We understand decisions investors face with heightened inflation risk



The Best Strategies for Inflationary Times

Henry Neville, Teun Draaisma, Ben Funnell, Campbell R. Harvey, and Otto Van Hemert

Trend-following strategies have historically done well in inflationary regimes



- 10Y UST yield
- Illustrative positioning (long/short)
- Illustrative P&L

Our active strategies seek to adjust exposures to suit inflationary periods

Performance of Barra Factors in a variety of CPI environments 1996 - 2021 (12m smoothed CPI)



- Value
- Profitability
- Momentum
- Beta
- Growth

Responding to evolving client requirements

Expanding our offering to meet client demand

4

average number of strategies our top 50 clients invest in

Delivering **customised solutions** for clients

62%

of AUM is customised for individual client needs

Providing meaningful **ESG solutions**

\$55bn

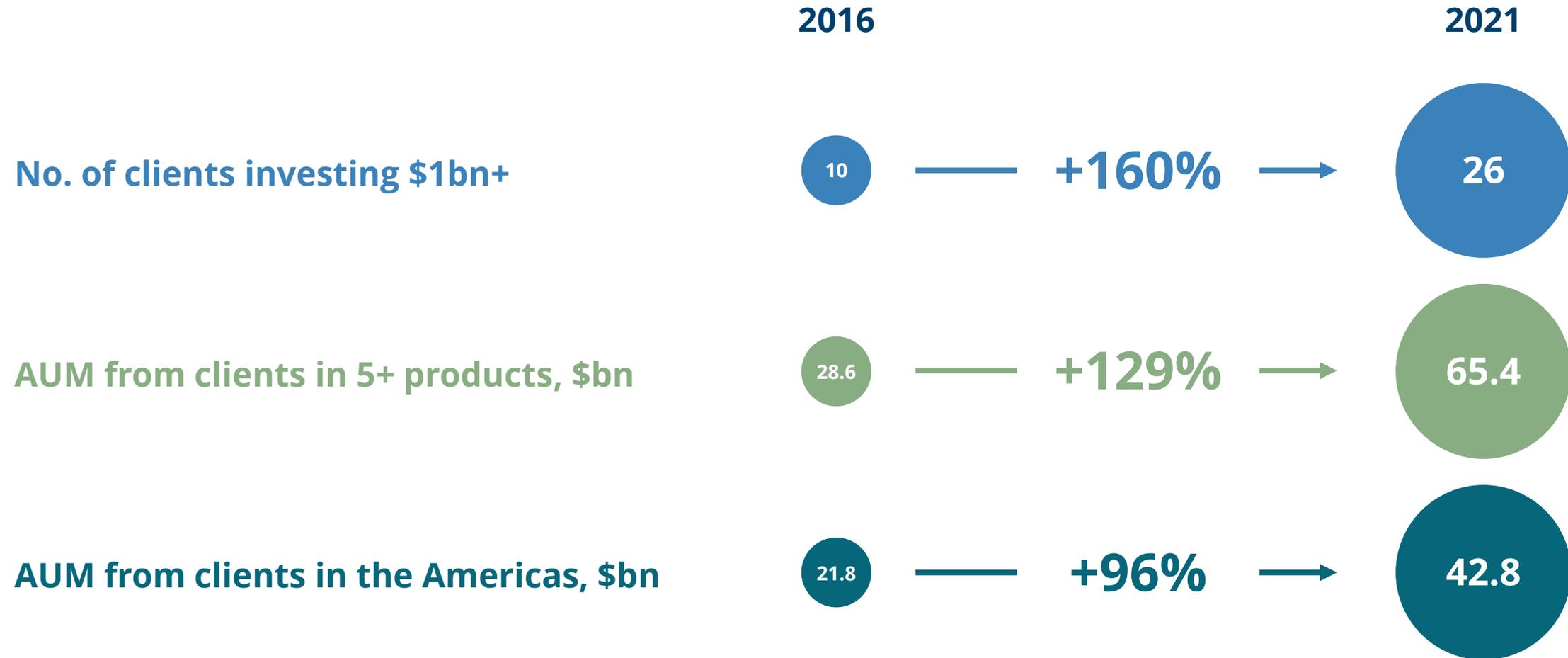
of ESG-integrated AUM¹

Building **deeper relationships** with asset owners globally

\$38bn

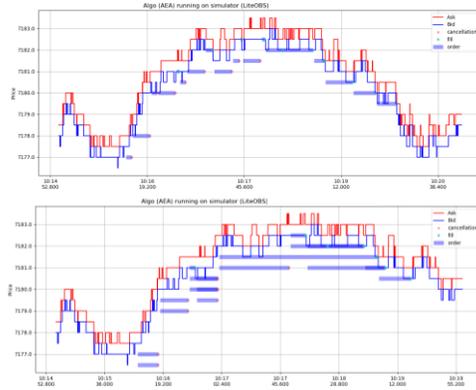
net inflows over the last five years

Strong client relationships drive our growth



Further investments to capitalise on our competitive advantages

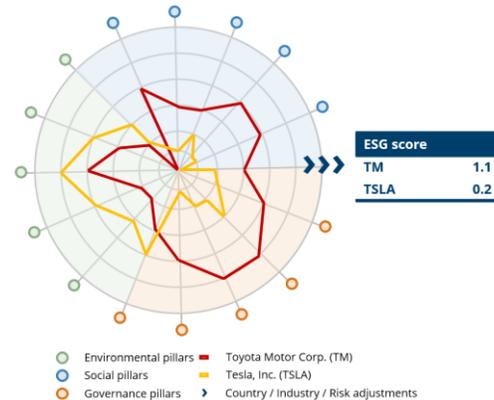
Expanding our market-leading **execution platform**



43k+

trades a day across 200+ venues

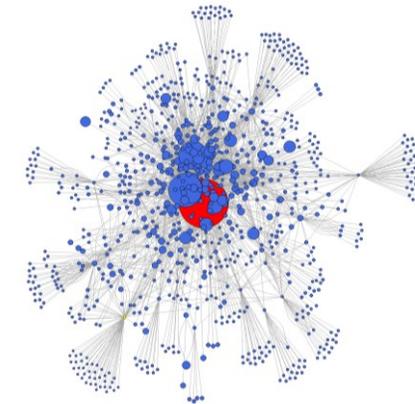
Investing significantly in our **ESG capabilities**



17

ESG-oriented funds¹ launched or converted in 2021

Maintaining our **technology edge**



\$100m+

technology spend annually

¹ ESG-oriented funds include Article 8 and Article 9 funds under SFDR
Schematic illustrations only. The organisations mentioned are for reference purposes only. The content of this material should not be construed as a recommendation for their purchase or sale

Multiple dimensions for future growth

Solutions

Capital solutions (insurers)

Institutional hedging

Multi-strategy alternative

Institutional solutions

Discretionary

Investment grade credit

Convertibles

High yield credit

Asia equities

Quantitative

Systematic fixed income

Systematic climate

Momentum

AHL TargetRisk family

Private markets

Net zero US real estate

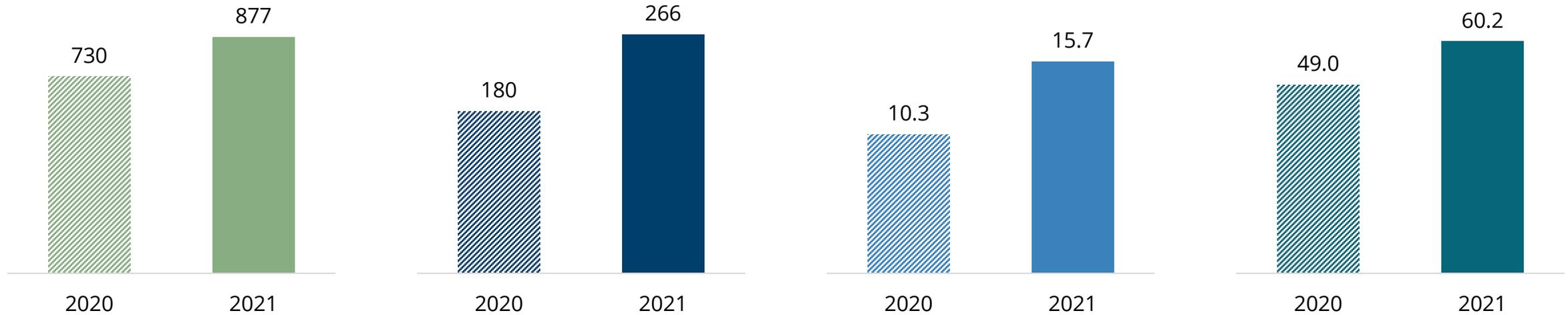
Affordable housing

US single family residential

 New
 Scaling

Rapid growth over past year after resilient 2020 results

1 year growth



20% growth

Core net management fees vs. 2020, \$m

48% growth

Core management fee PBT vs. 2020, \$m

52% growth

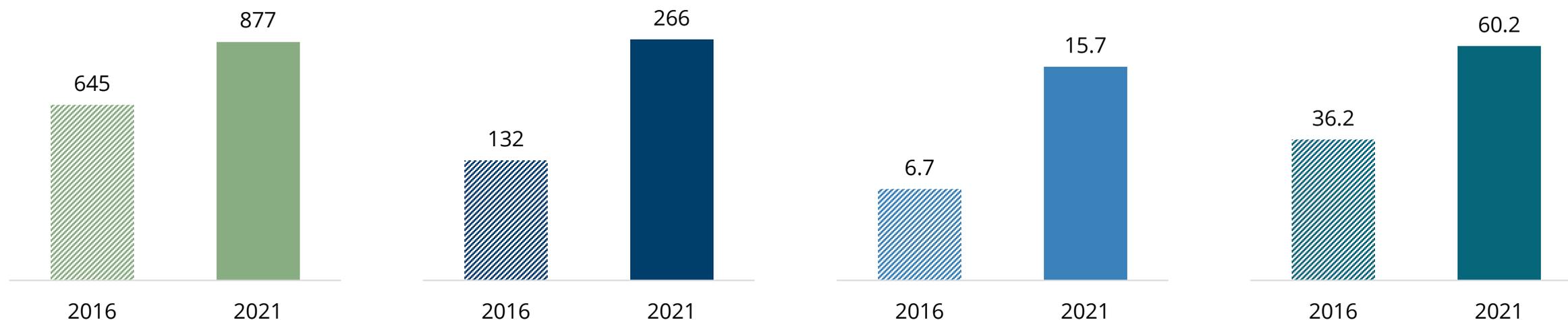
Core management fee EPS vs. 2020, ¢

23% growth

Performance fee eligible AUM vs. 2020, \$bn

Strong long-term growth shows underlying quality of the business

5 year growth



36% growth

Core net management fees vs. 2016, \$m

102% growth

Core management fee PBT vs. 2016, \$m

134% growth

Core management fee EPS vs. 2016, ¢

66% growth

Performance fee eligible AUM vs. 2016, \$bn

2021 results illustrate what we can deliver

Excellent performance and growth drives confidence in our strategy

Strong client relationships with record net inflows and AUM

Continued investment in our talent and technology to set us apart

Long-term demand for alternatives and alpha drive future growth

Q&A

A data pack with additional financial information can be found on our website
www.man.com/investor-relations



▪ **Karan Shirgaokar (Director, Investor Relations)**



▪ +44 (0)20 7144 1434



▪ investor.relations@man.com

Appendix: modelling guidance

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Asset servicing	<p>2022 guidance: asset servicing expense of 6bps of AUM, excluding systematic long-only and Man GPM.</p>
Fixed cash costs (fixed compensation and other cash costs)	<p>~60% of fixed cash costs in GBP. 2022 guidance: \$355m assuming GBPUSD of 1.34.</p>
Total compensation (fixed and variable compensation)	<p>Overall compensation to core net revenue ratio expected to be in the range of 40% to 50% depending on the mix and level of revenue.</p>
Tax	<p>Tax rate on full year 2022 core PBT expected to be in the range of 15% to 18%, higher when performance fees are a greater portion of net revenue and lower when they are a lower portion. Looking ahead, the increase in UK corporation tax rate from 2023 is expected to increase our core tax rate to a range of 19% to 22% in 2023; further ahead and depending on the rate of consumption of our tax losses in the US, our core tax rate could increase by up to 3% to between 22% to 25% from 2024. Our expectation is based on prevailing corporate tax rates at the time of our FY 2021 results announcement.</p>
IFRS16	<p>Our sub-lease rental income and our net financing expense attributable to management fees are substantially driven by the lease accounting standards under IFRS16. Both line items are denominated primarily in GBP.</p> <p>2022 guidance:</p> <ul style="list-style-type: none"> ▪ \$5-6m for sub-lease rental and lease surrender income ▪ \$10-13m for net financing expense, attributable to management fees (assuming no material change in our capital structure) ▪ Both based on GBPUSD of 1.34

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