



Schroders 2020 Half-year Results

Peter Harrison
Group Chief Executive

30 July 2020



Resilient results in a challenging period

Diversified business model performing well



Over £38bn net inflows, led by Solutions and Wealth Management



Productivity high through transition to remote working



Actively supporting companies and communities

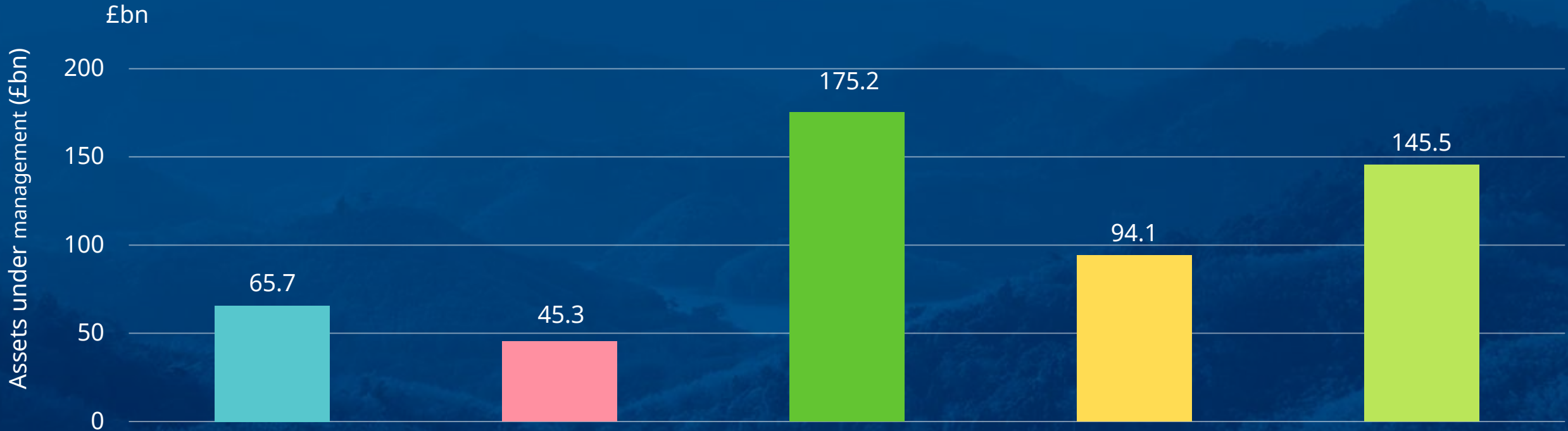


	H1 2020	H1 2019	Change
Net income ¹	£1,003.9m	£1,032.6m	(3)%
Ratio of total costs to net income	70%	67%	–
Profit before tax¹	£306.2m	£340.4m	(10)%
AUM	£525.8bn	£444.4bn	18%
Net new business	£38.1bn	£(1.2)bn	–
Basic EPS¹	85.8p	98.6p	(13)%
Total dividend per share	35p	35p	–

¹Before exceptional items.



Strategically-aligned view of the business

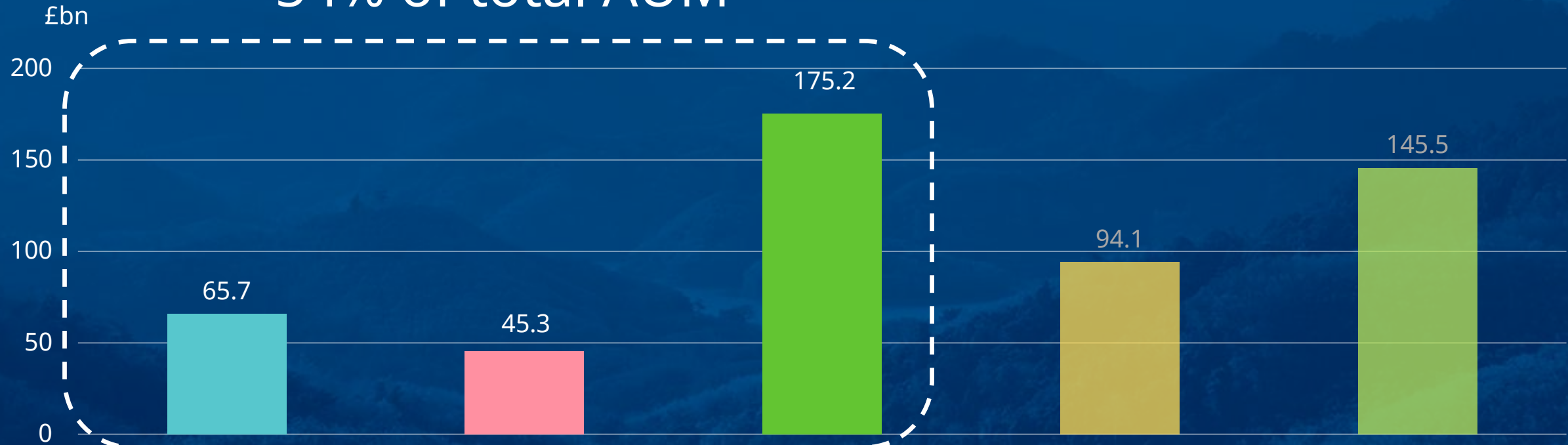




Growth in business areas of strategic focus



54% of total AUM





Continued strong momentum in Wealth Management

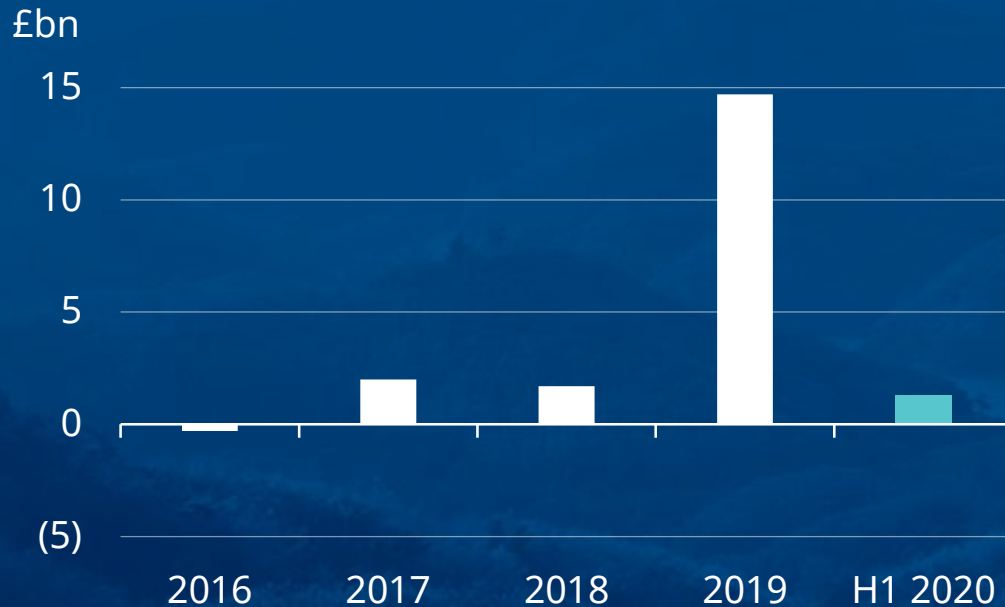


Strong investment performance

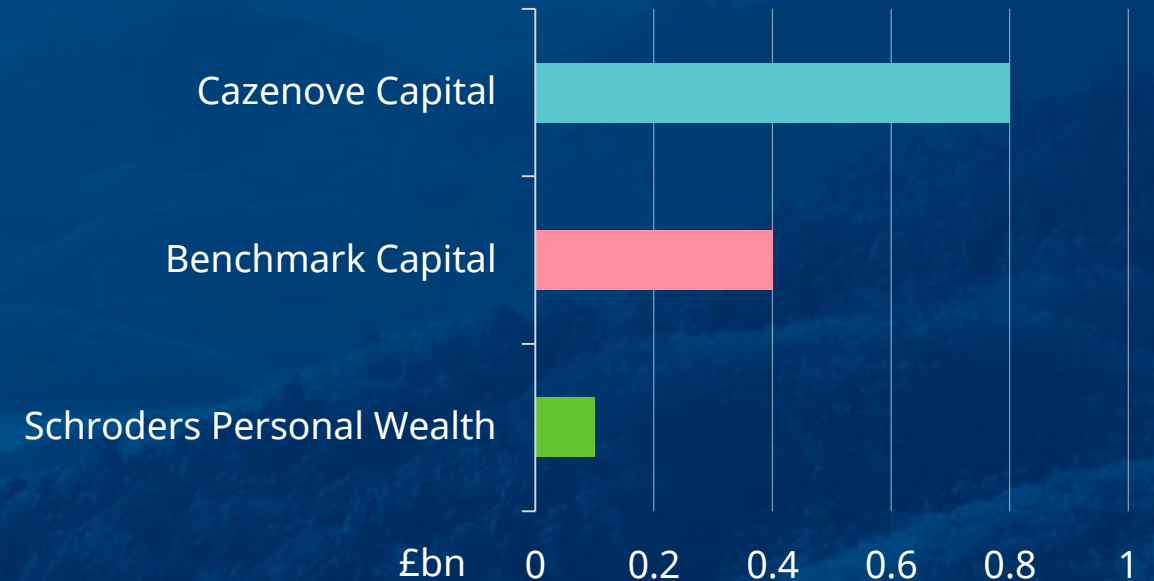


£1.3bn of net inflows, led by Cazenove and Benchmark

Historic net new business



H1 2020 net new business





Private Assets & Alternatives



Inflows in Private Assets:
Real Estate, Private Equity,
Infrastructure



Offset by outflows in liquid
alternatives: EMD absolute
return, GAIA range



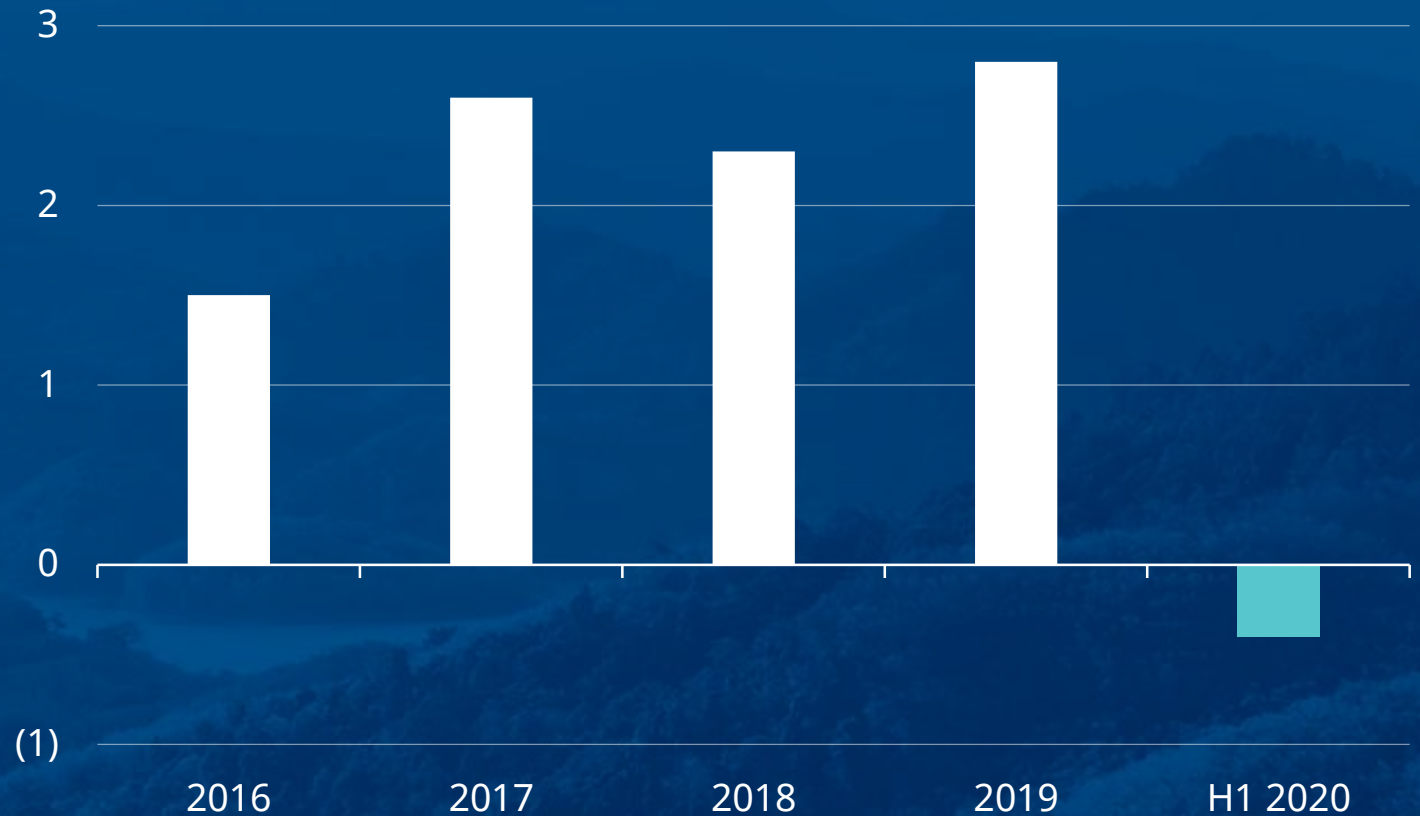
Good progress on fund
raisings, despite
challenging backdrop



Real Estate strengthened
by acquisition of Pamfleet

Historic net new business

£bn





Ongoing demand for Solutions strategies



Continued client demand for risk controlled growth and LDI strategies



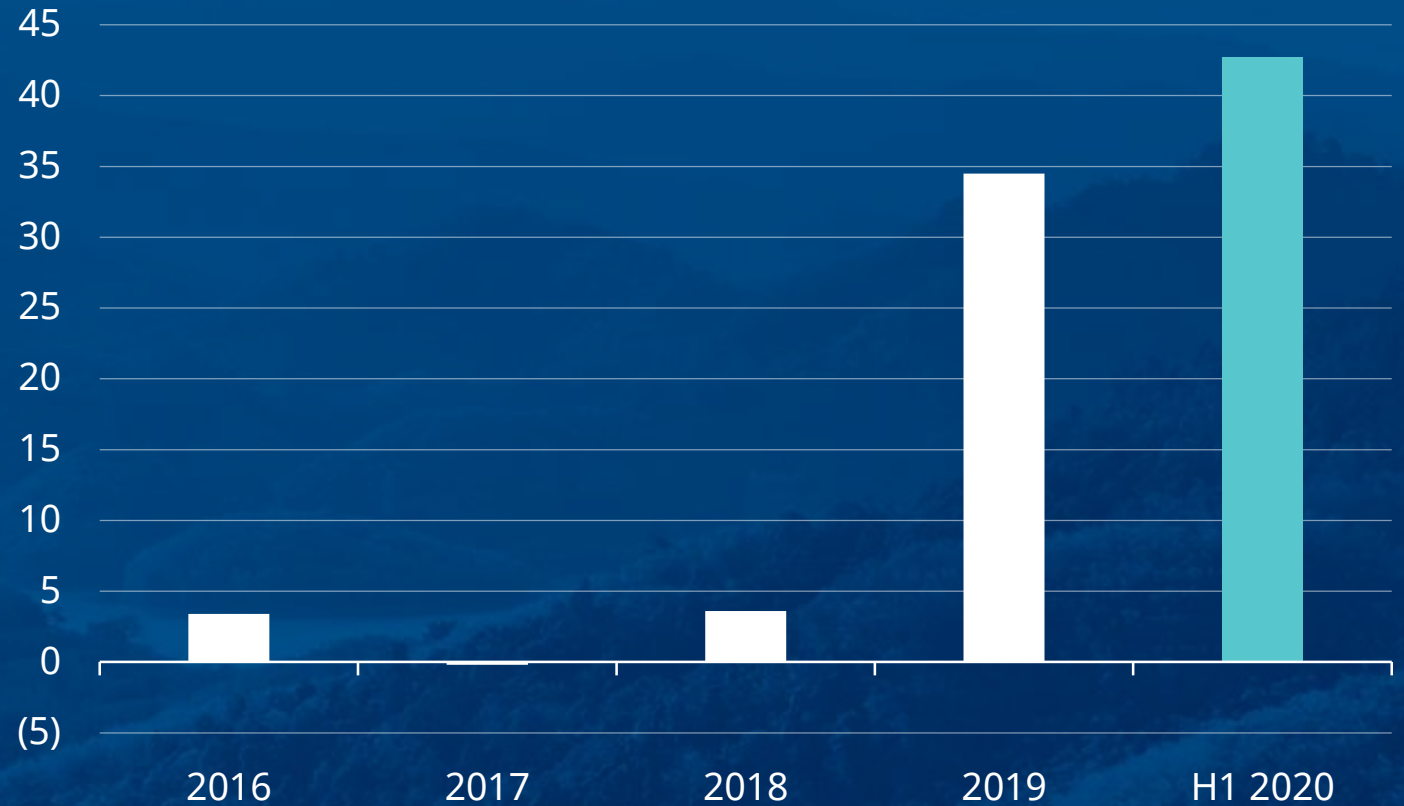
First half saw remainder of Scottish Widows and large US mandate funded



Now one third of group AUM

Historic net new business

£bn



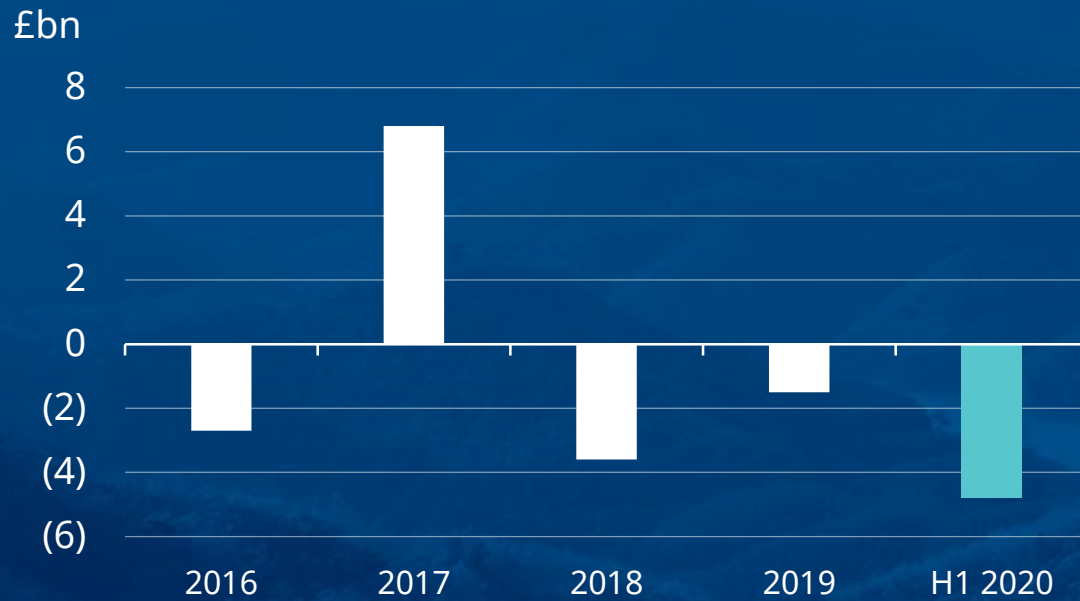


Mutual Funds and Institutional

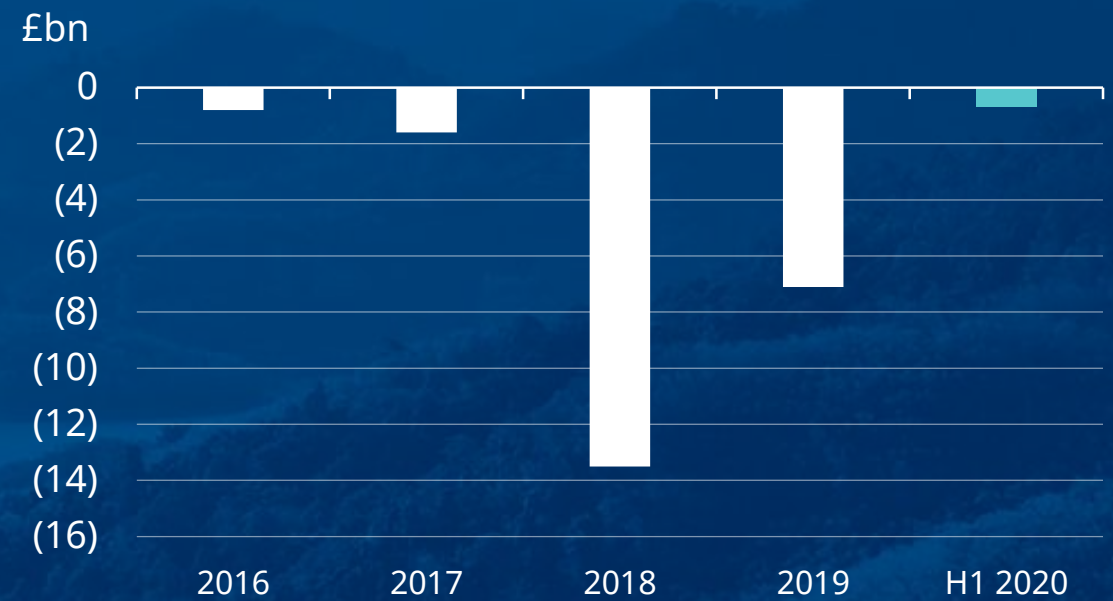


Challenging backdrop for raising assets in 'traditional' business areas

Mutual Funds historic net new business



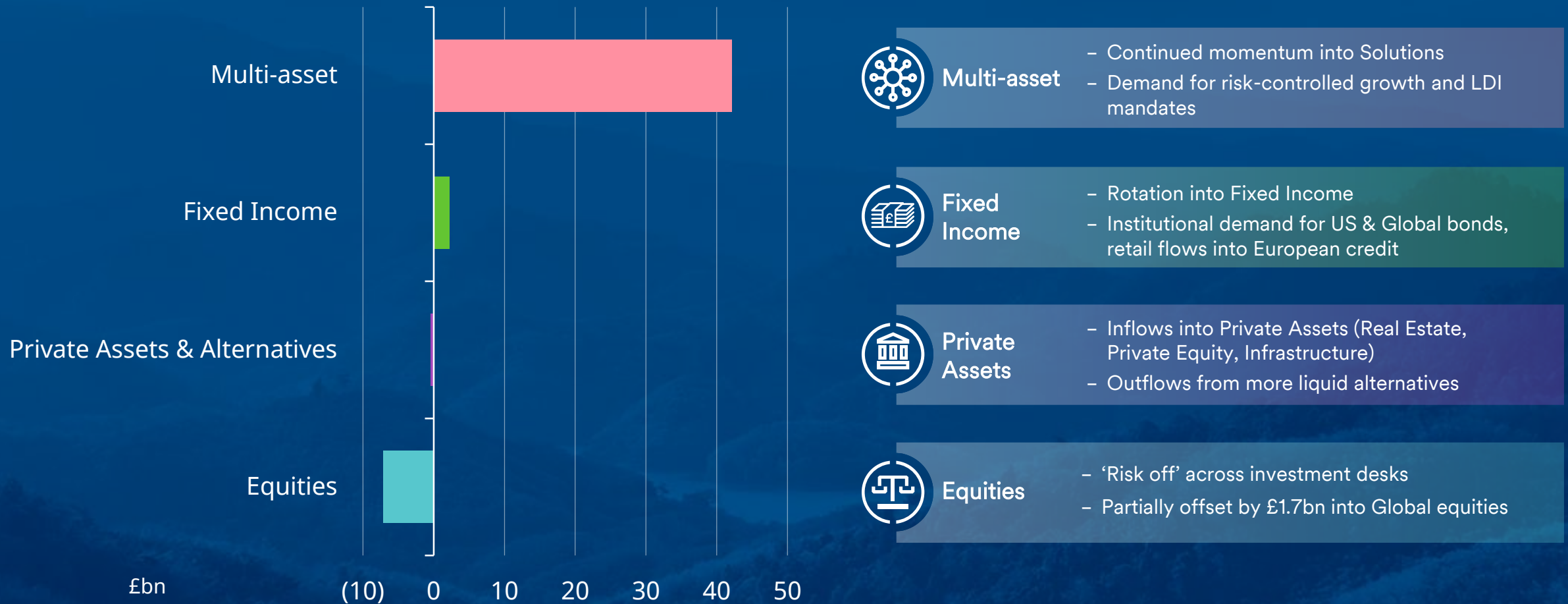
Institutional historic net new business





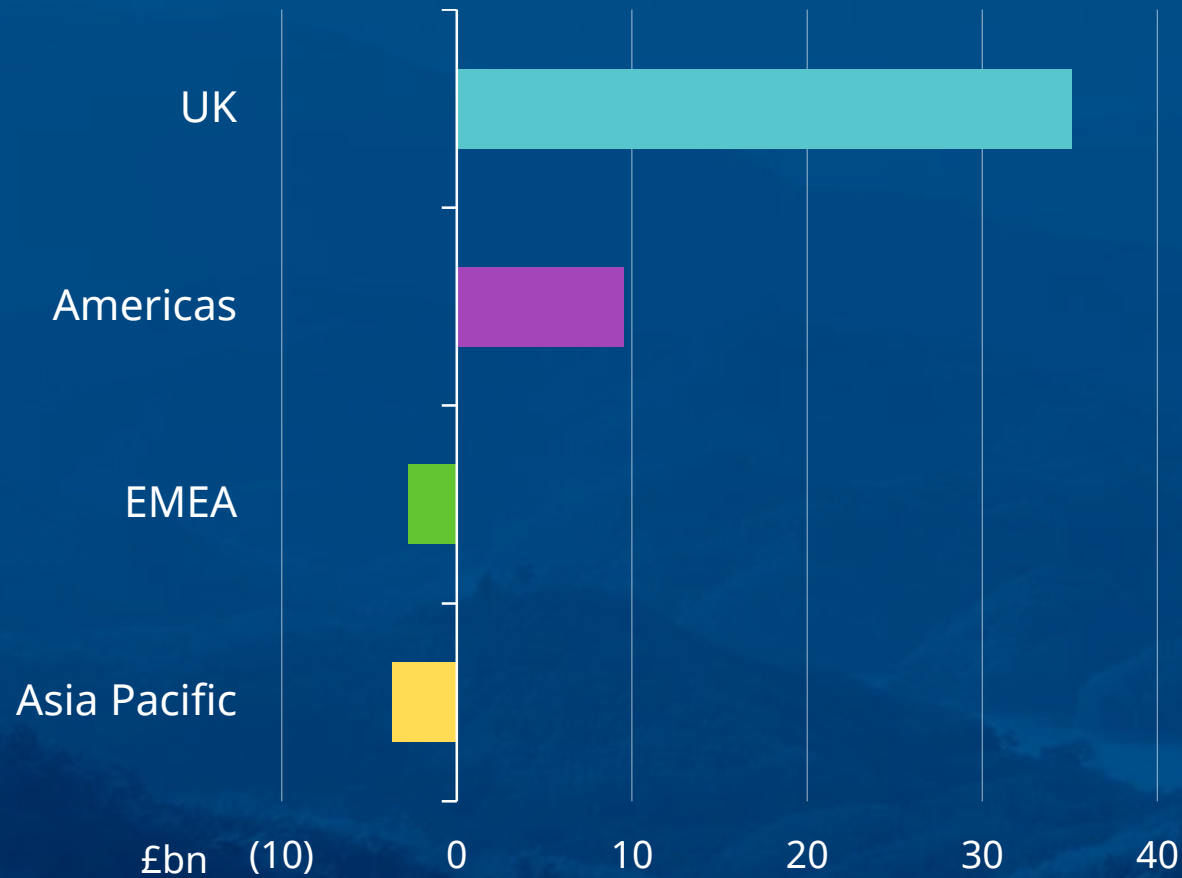
Net flows by asset class

Strong investment performance in equity and fixed income





Net flows by region



UK

- Flows driven by Solutions
- Private Assets and Institutional business areas also net positive



Americas

- Strong flows driven by Solutions mandate
- £0.5bn net inflows into Latin America



EMEA

- 'Risk off' across region for mutual funds
- Most countries in net outflows, Iberia the exception



Asia Pacific

- 'Risk off' across region
- Outflows led by outflows from Australia, partly offset by positive inflows in China



Joint Ventures & Associates



BoCom
Schroders

- Continued strong performance
- Highly successful fund raising activity
- Net new business of £9.1bn, AUM now almost £70bn



Axis Asset
Management

- Growing market share, now c.5.6%
- Net new business of £2.1bn, AUM over £15bn
- AUM ranking now 8th overall, 4th in equities



Schroders
Personal Wealth

- Challenging period for raising new assets through lockdown
- Process to replatform clients on schedule
- Strong long-term outlook



Schroders 2020 Half-year Results

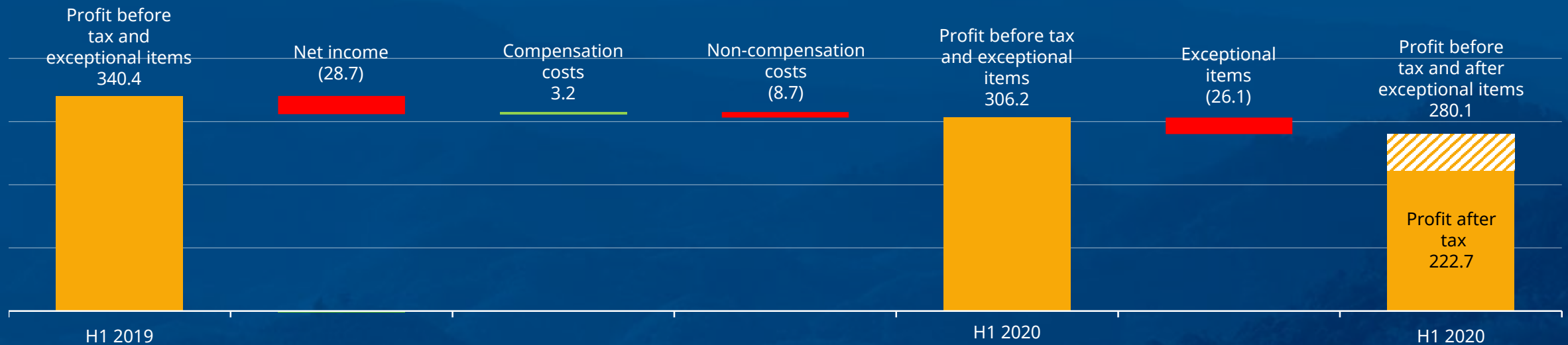
Richard Keers
Chief Financial Officer

30 July 2020



Profit before tax and exceptional items

£m



Profit before tax and exceptional items -10% to £306.2m



Net income



Net income -3% to £1,004m

*Excludes SPW, which is proportionally consolidated.



Wealth Management net operating revenue

Net operating revenue margin¹

57bps

H1 2019: 60bps

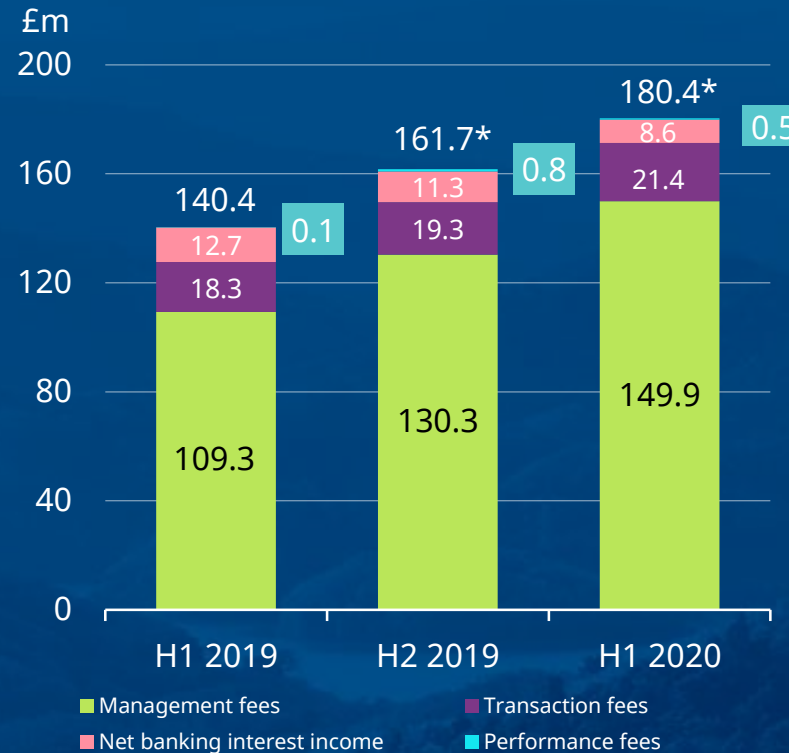


Average AUM

£63.4bn

H1 2019: £46.9bn

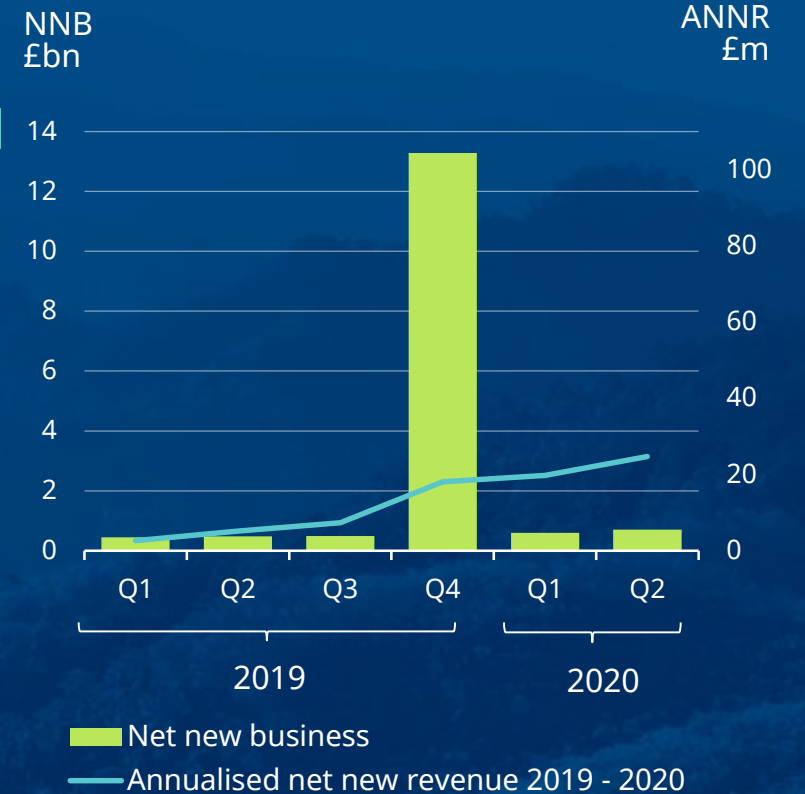
Net operating revenue



¹Excluding performance fees.

*Includes £28.7m H1 2020 (£12.8m H2 2019) relating to the proportional consolidation of SPW.

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





Asset Management net operating revenue

Closing AUM

£460.1bn

H1 2019: £393.7bn

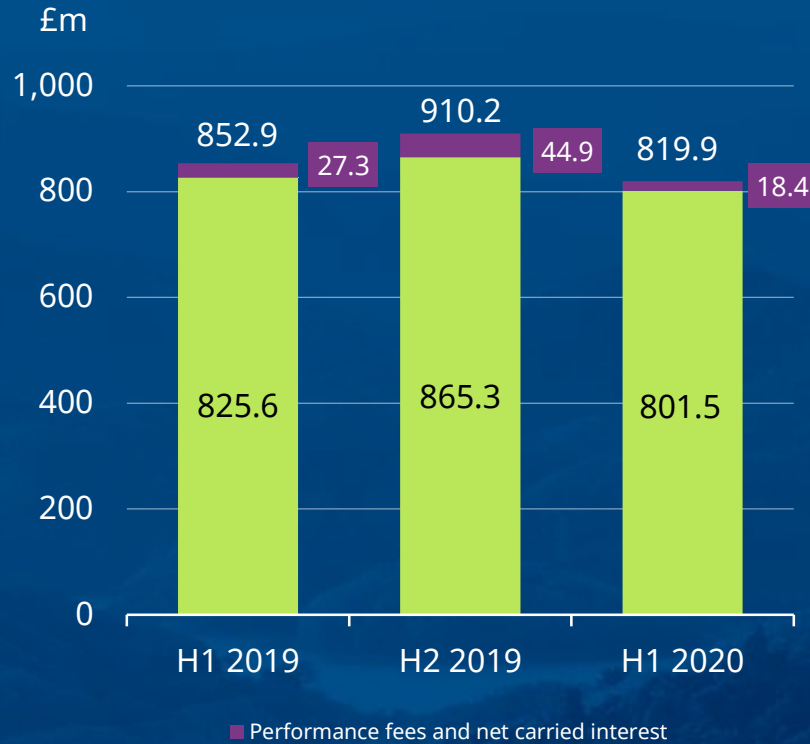


Net new business

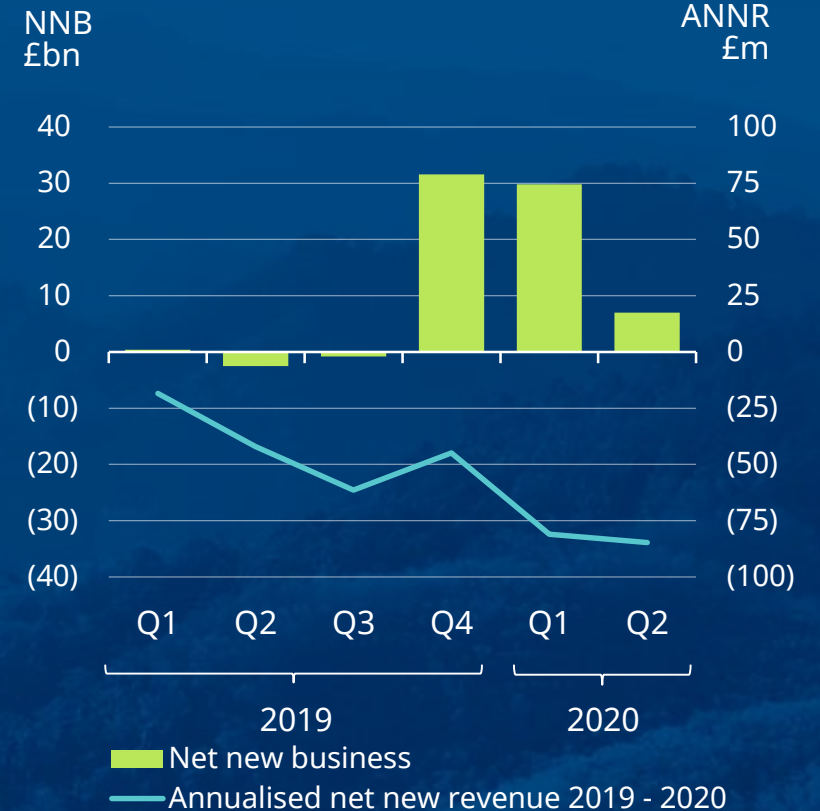
£36.8bn

H1 2019: outflows of £2.1bn

Net operating revenue



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





Private Assets & Alternatives net operating revenue

Net operating revenue margin¹

63bps

H1 2019: 63bps

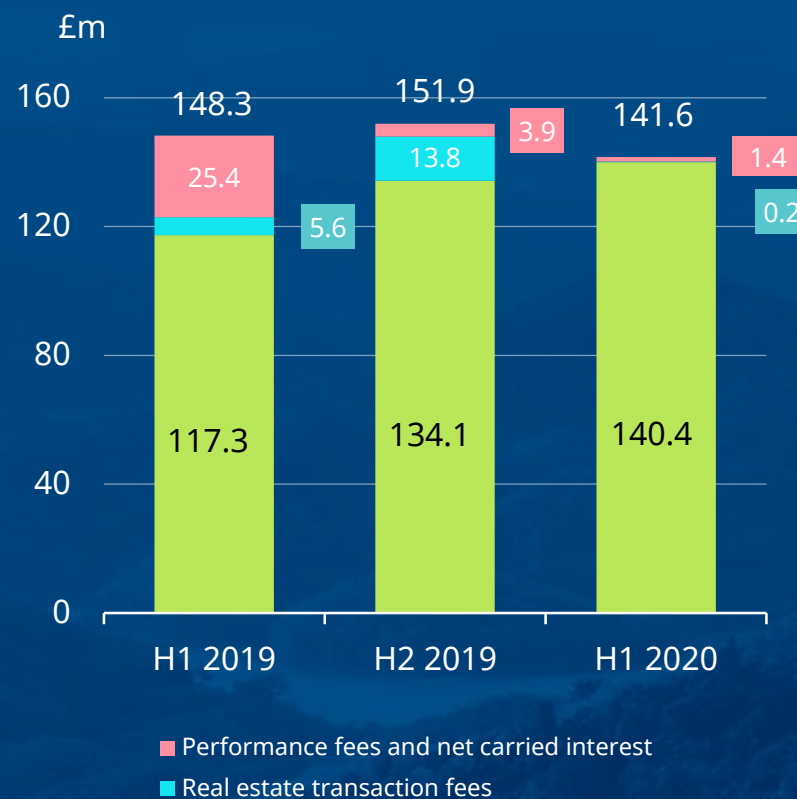


Average AUM

£44.3bn

H1 2019: £37.6bn

Net operating revenue



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



¹Excluding performance fees, net carried interest and real estate transaction fees.



Solutions

Net operating revenue margin

15bps

H1 2019: 22bps



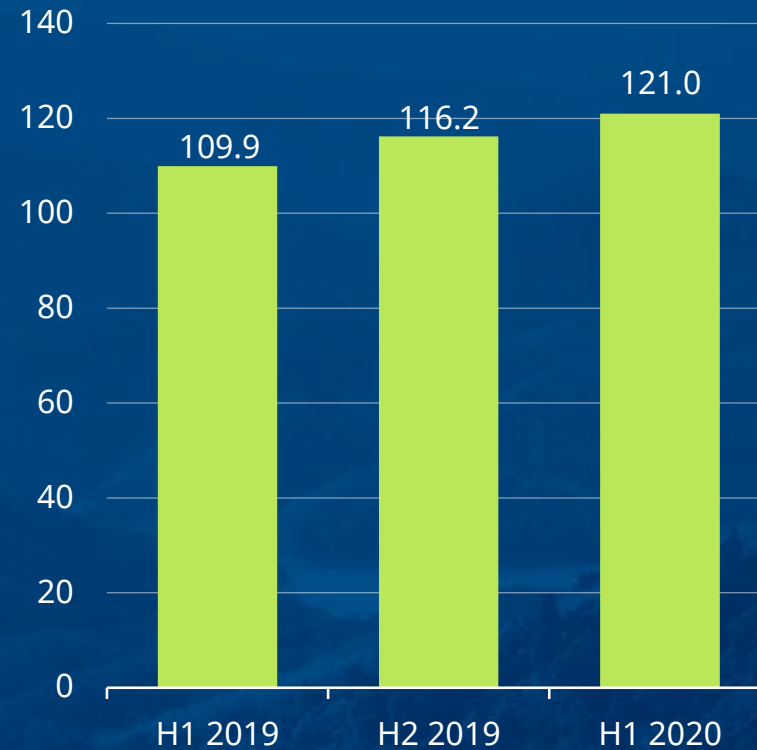
Average AUM

£162.1bn

H1 2019: £100.2bn

Net operating revenue

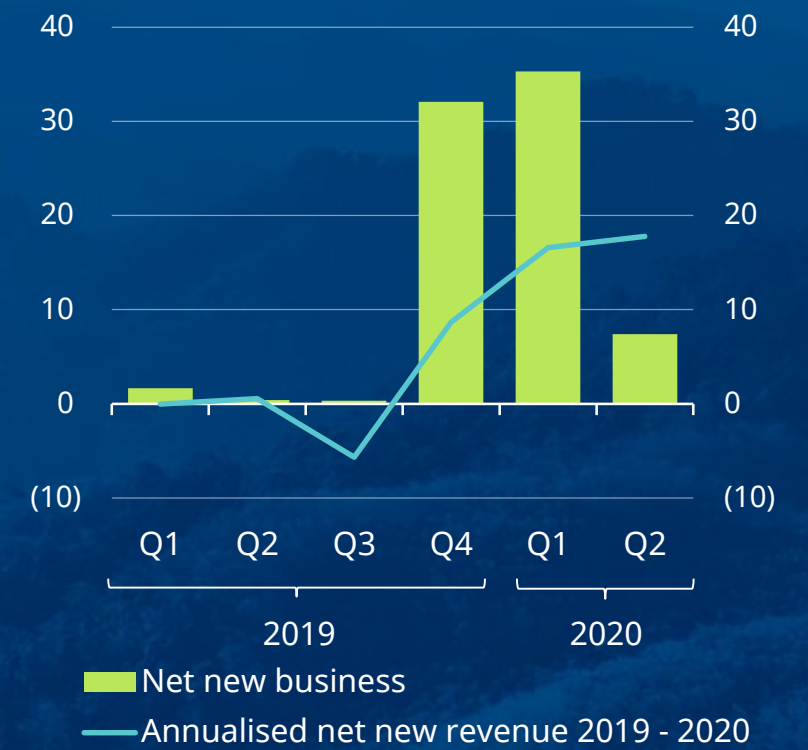
£m



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

NNB
£bn

ANNRR
£m





Mutual Funds and Institutional

Mutual Funds

Net operating revenue margin¹

71bps

H1 2019: 74bps



Institutional

Net operating revenue margin¹

31bps

H1 2019: 33bps



Mutual Funds

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



■ Net new business
 — Annualised net new revenue 2019 - 2020

Institutional

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

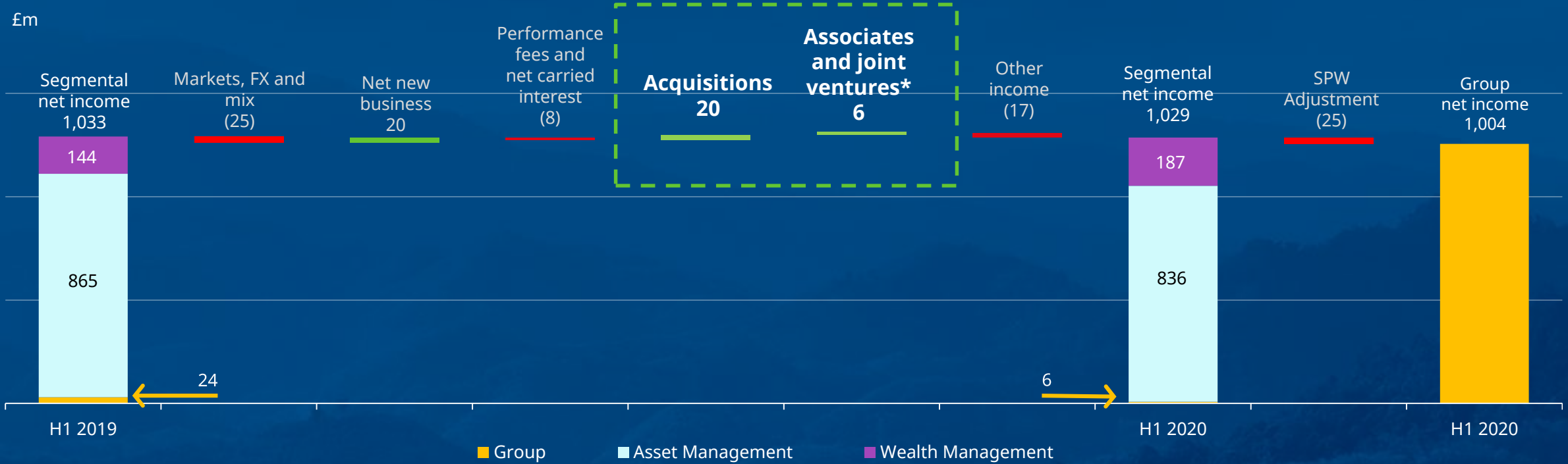


■ Net new business
 — Annualised net new revenue 2019 - 2020

¹Excluding performance fees.



Net income



Net income -3% to £1,004m

*Excludes SPW, which is proportionally consolidated.



Associates and Joint Ventures

Share of profit of associates and joint ventures²

+96%
to
£27.6m



	H1 2020					H1 2019
	SPW ¹	BoCom	Axis	Other	Total	Total
Group's share of profit (£m)²	7.2	16.9	2.6	0.9	27.6	14.1
NNB (£bn)		9.1	2.1	0.1	11.3	1.3
AUM (£bn)		68.7	15.3	1.0	85.0	63.4

¹SPW's AUM is managed by the Group and included in the Group's AUM.

²Before exceptional items.



BoCom Schroders joint venture

2020 Record net inflows of

+£9bn



Share of profit

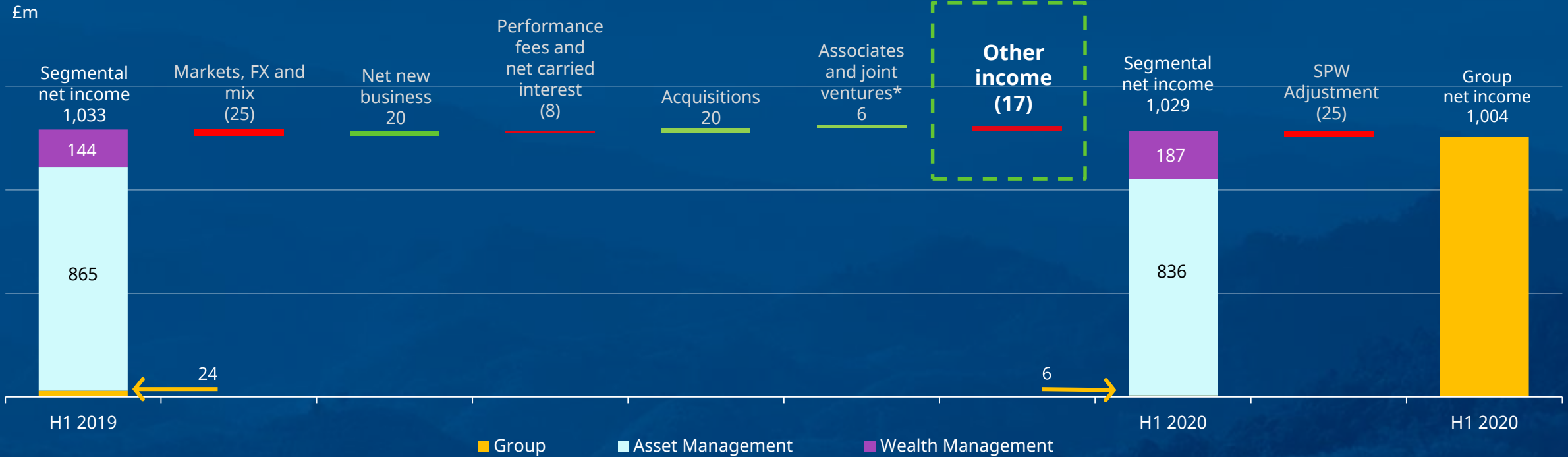
+150%

Since H1 2015

	H1 2020	H1 2019	% Movement
Profit (£m)	56.3	33.7	
Group's share of profit (£m)	16.9	10.1	+67%
NNB (£bn)	9.1	(1.0)	
Margin	28.8	21.8	
AUM (£bn)	68.7	51.1	+3%



Net income

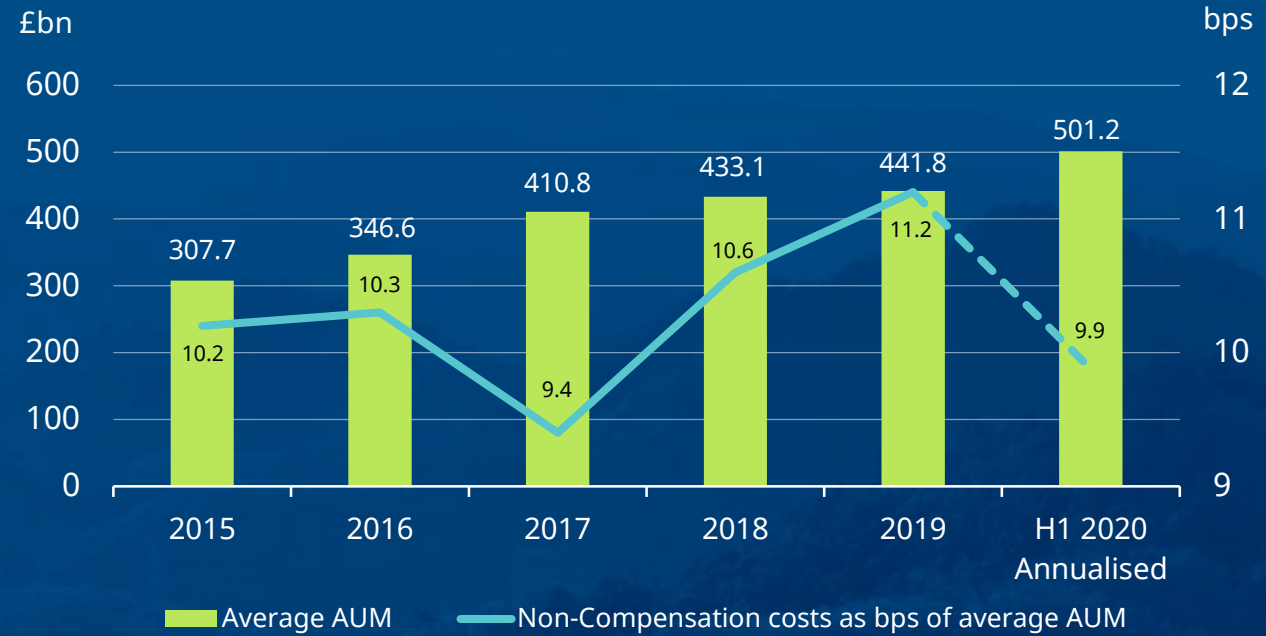
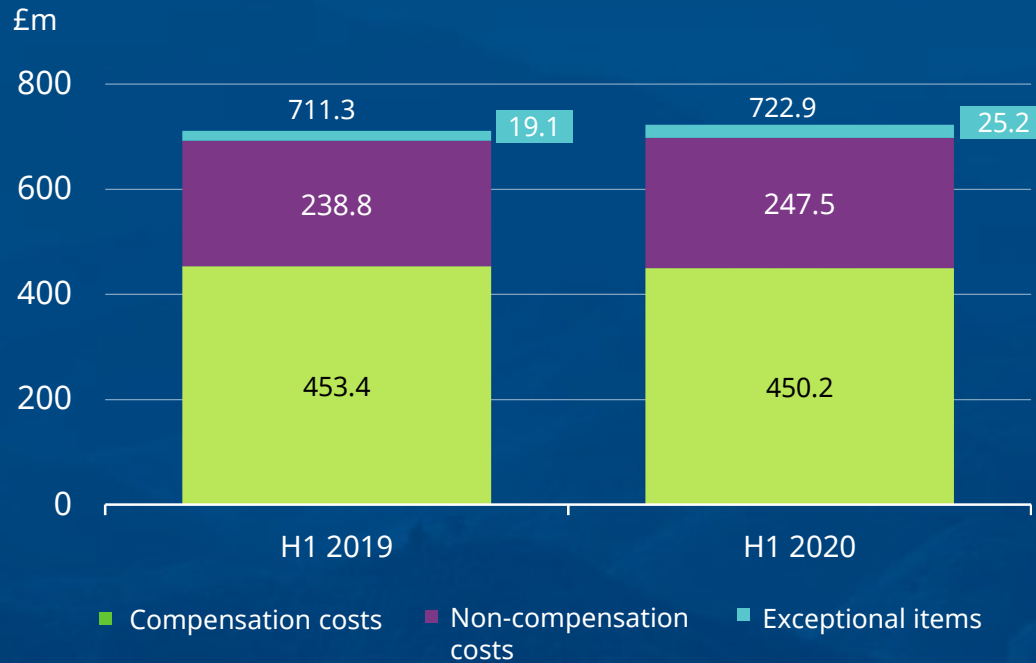


Net income -3% to £1,004m

*Excludes SPW, which is proportionally consolidated.



Operating expenses



Total compensation ratio **45%** H1 2019: 44%

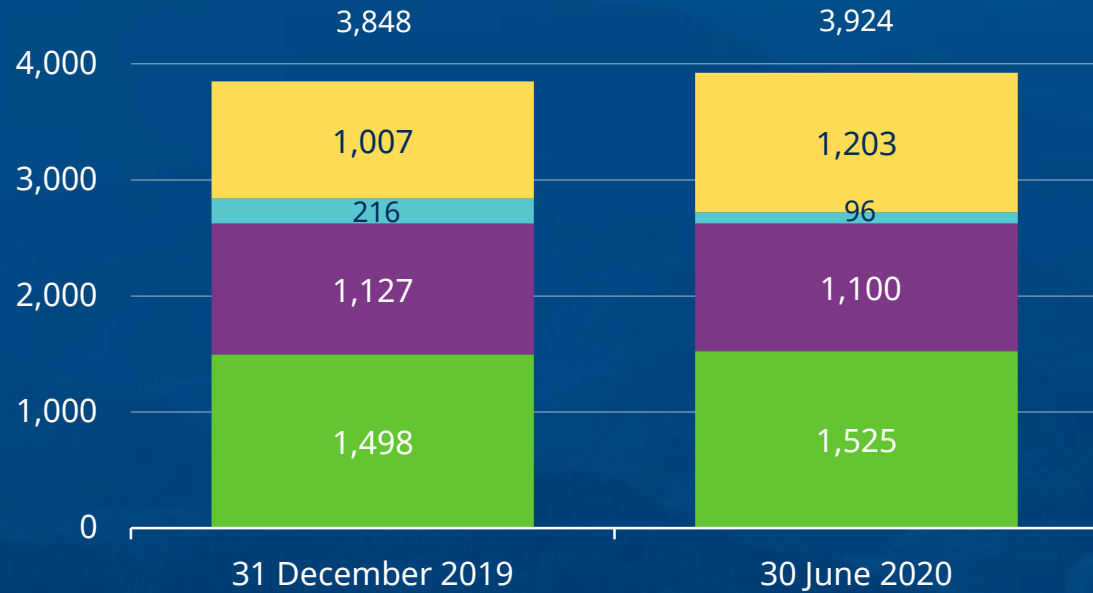
Ratio of total cost to net income **70%** H1 2019: 67%



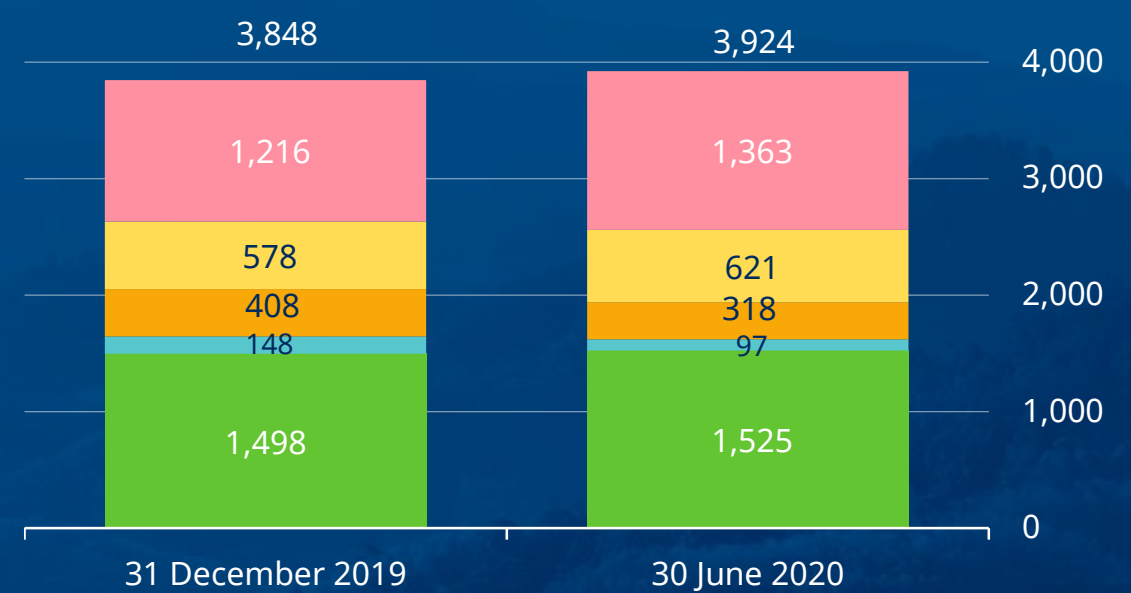
Composition of Group Capital

Capital base

£m



Capital allocation



■ Capital surplus ■ Dividend¹ ■ Overall regulatory capital requirement ■ Other items²

■ Working capital - regulatory and other ■ Working capital - seed and co-investment
 ■ Investment capital - liquid ■ Investment capital - illiquid ■ Other items²

¹Final 2019 dividend/proposed 2020 interim dividend.

²Comprises items that are inadmissible for regulatory purposes, principally goodwill, intangible assets and pension scheme surplus.



Summary



Profit after tax
- 13% to £222.7m

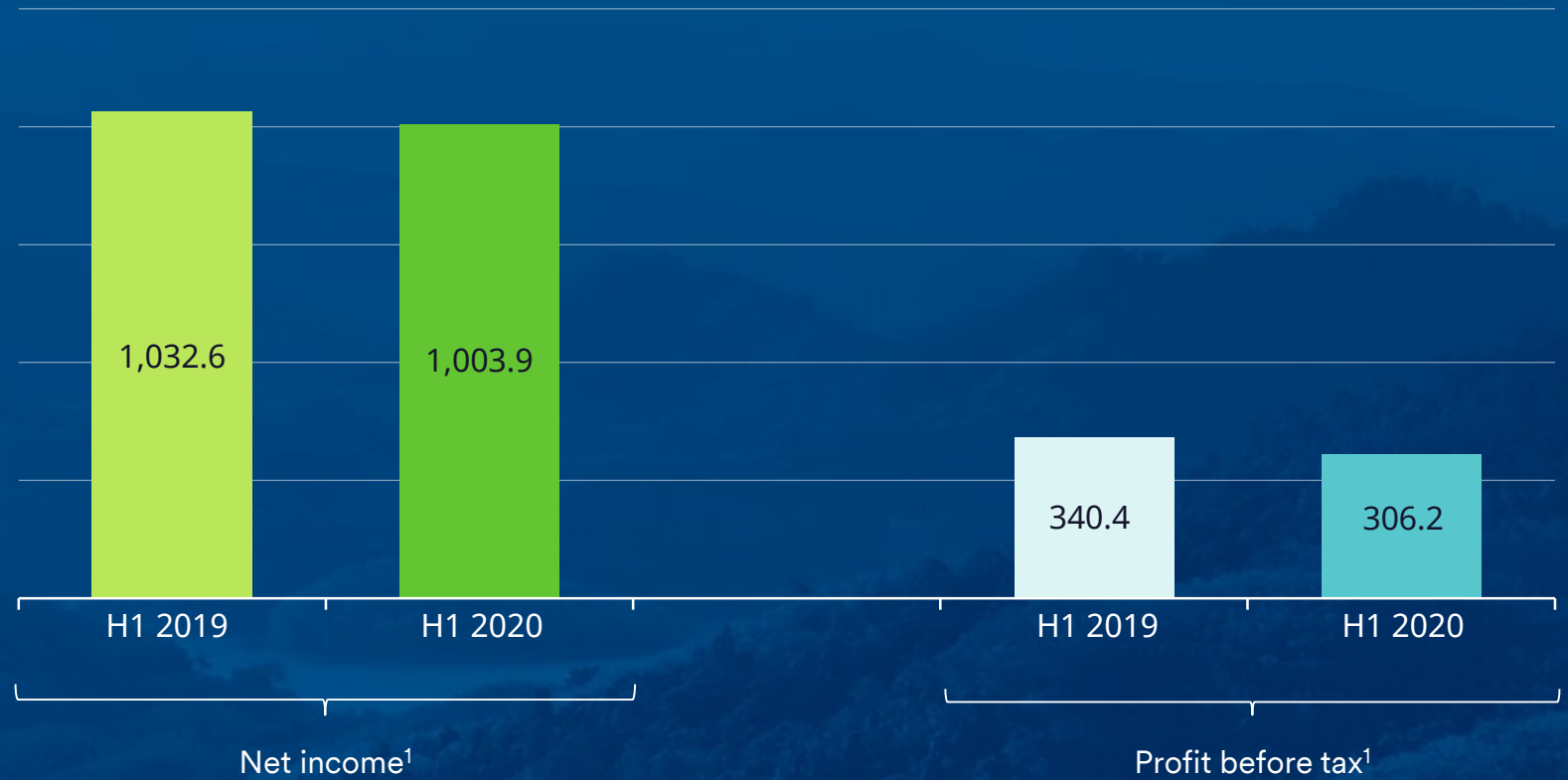
Ratio of total costs
to net income¹
70%



Basic EPS¹
- 13% to 85.8p

Interim dividend
unchanged at 35.0p

£m



¹Before exceptional items.



Outlook for H2 2020 and beyond

Diversified business model
proving resilient



First half dominated by social and economic impacts of Covid, considerable uncertainty remains



Retain focus on repositioning business towards high quality, high longevity areas



Continue to invest for long-term growth of the business



Focused strategy, global footprint and diversified business model
to deliver long-term value for clients and shareholders



Forward looking statement

These presentation slides may contain forward-looking statements with respect to the financial condition, performance and position, strategy, results of operations and businesses of the Schroders Group. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but relate to events and depend upon circumstances in the future and you should not place reliance on them. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'sees', 'believes', 'expects', 'aims', 'confident', 'will have', 'will be', 'will ensure', 'likely', 'estimates' or 'anticipates' or the negative of these terms or other similar terms are intended to identify such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this statement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in these presentation slides should be construed as a forecast, estimate or projection of future financial performance.