



Financial results 2019

28 February 2020



1. Introduction

Luke Ellis

Chief Executive Officer

- **Strong absolute performance in 2019**

- Absolute performance was strong in 2019 with \$10.1bn of gains for clients, and closing FUM of \$117.7bn
- This resulted in strong performance fee and overall profit growth, driven by our quant alternative strategies

- **Relative performance¹ and net flows were softer as valuation focussed strategies underperformed**

- Relative performance was -1.1% following outperformance of 1.0% in 2018, with our valuation focused long-only strategies underperforming peers this year
- Inflows into our alternative strategies were more than offset by outflows from our long-only strategies, with \$1.3bn of net outflows overall

- **Profitability was strong, driven by performance fees**

- Adjusted total PBT of \$386m up 54%, reflecting strong performance fees
- Adjusted management fee PBT of \$172m down 21%, reflecting non-operating headwinds in 2019 and lower management fees
- Adjusted diluted EPS of 21.1c, up 56%

- **Continued returns for shareholders**

- Completed the \$100m share repurchase announced in October 2018, announced intention to repurchase a further \$100m of shares in October 2019
- Full year dividend per share of 9.8c
- Completed the corporate reorganisation

1. Relative performance versus peers is calculated using net performance relative to peers for all strategies where we have identified and can access an appropriate peer composite. As at 31 December 2019 it covers 89% of the FUM of the Group and excludes infrastructure mandates, Global Private Markets and collateralised loan obligations.

- **Strong financial performance**

- Core PBT at a 10 year high, demonstrating the strength of business today and the successful completion of our transition from our legacy profit streams

- **Deep client relationships**

- \$22.3bn of net inflows over the past three years, which is a testament to the quality of both our product offering and our relationship with our clients
- Overall FUM has increased by 45%, or \$36.8bn over the period

- **Ongoing product innovation**

- We now manage more than \$14bn in Alternative Risk Premia and Target Risk strategies, raised over the last three years with \$90m of net run rate management fee revenue today

- **Continued capital returns**

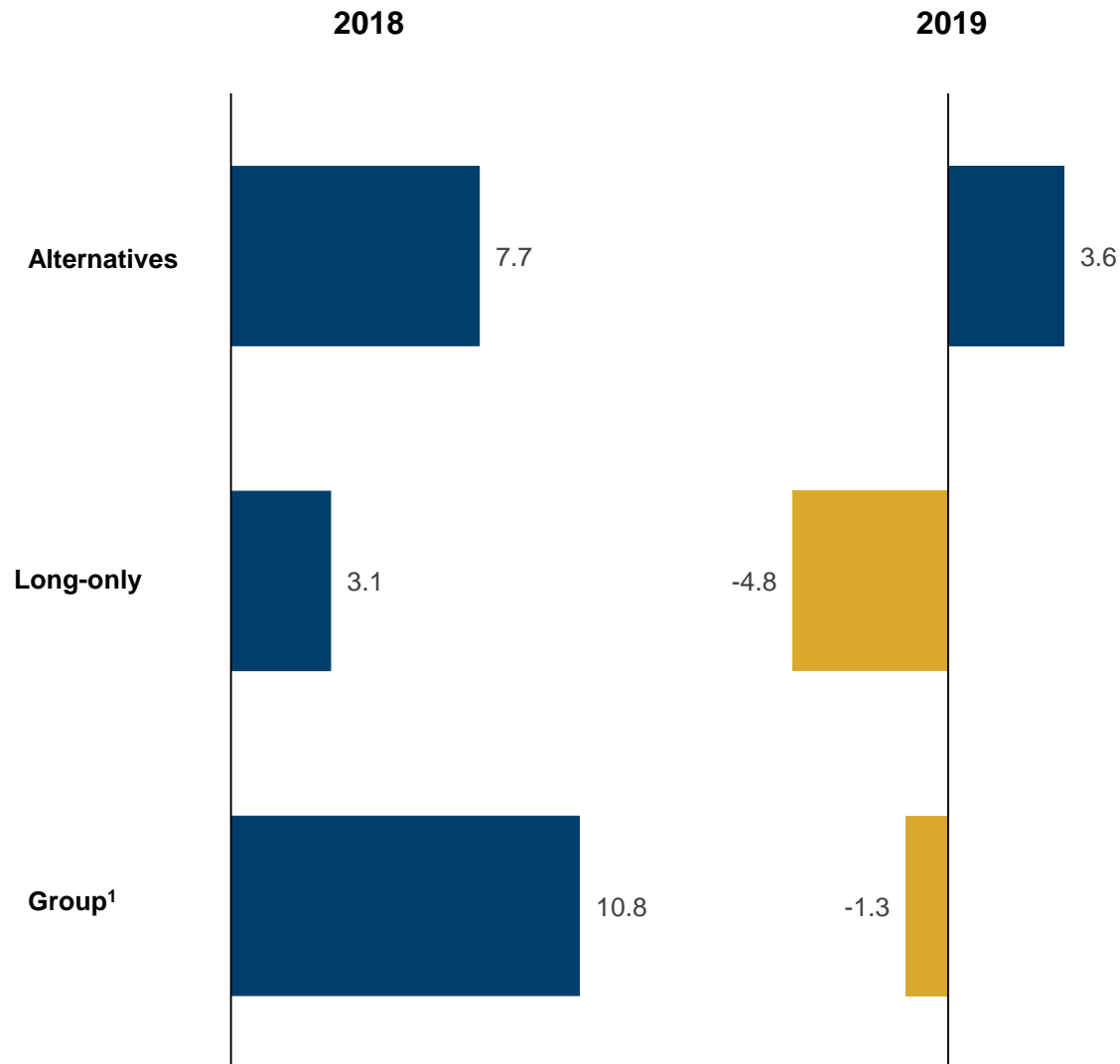
- Over the last three years our strong cash generation enabled us to return ~\$900m to shareholders, of which ~\$500m was via dividends and \$400m was via buybacks, that's equivalent to ~11% of our market capitalisation per year

- **Focus on people and culture**

- Critical to long term health of the business and a huge focus for us internally. We aim to be a firm that all staff are happy and proud to represent
- Positive trajectory on diversity initiatives

Flows: Inflows for alternatives, small overall outflow driven by long-only equity

Net flows, \$bn

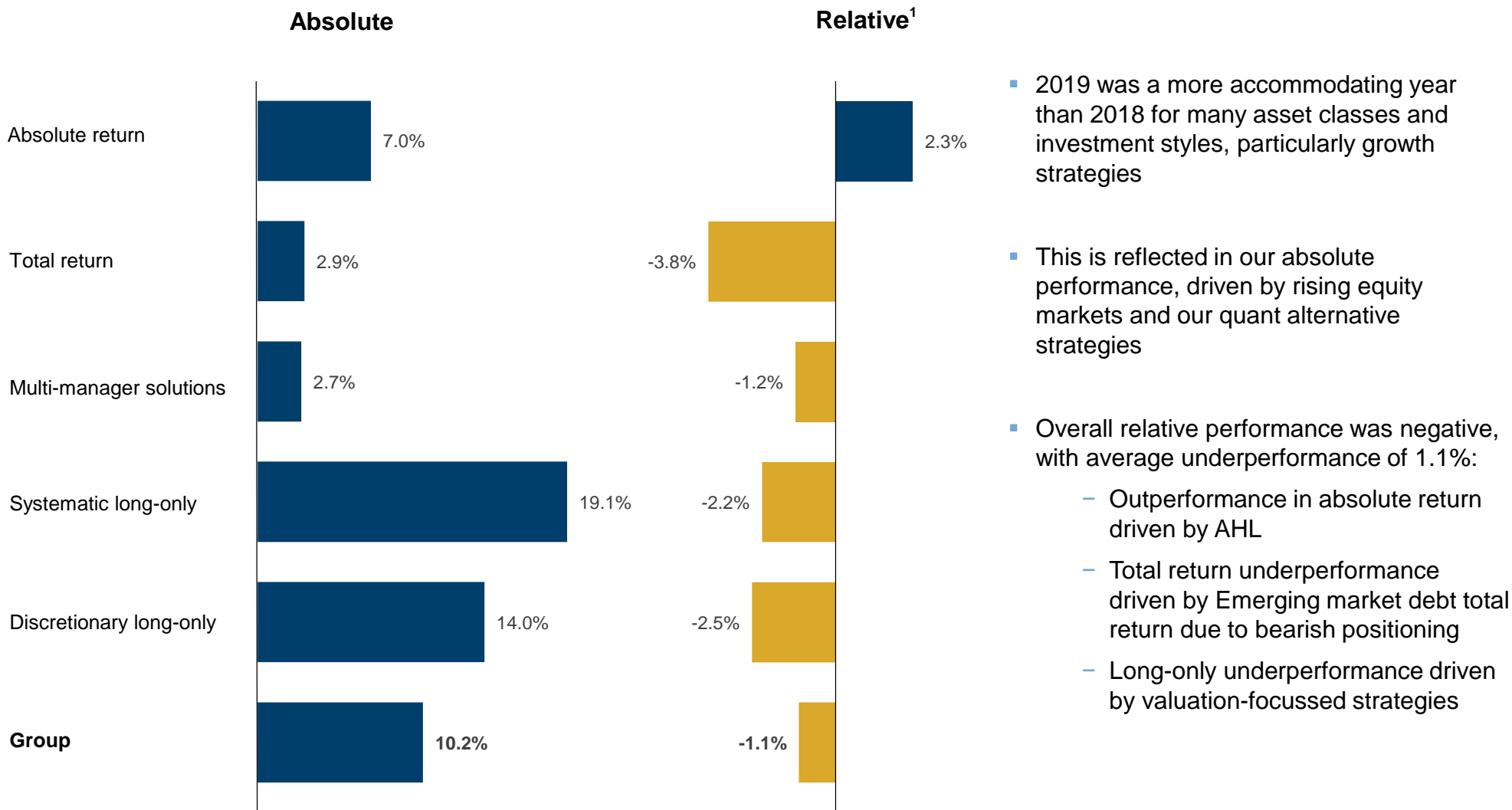


- We have strengthened existing client relationships and also added a healthy number of new relationships
- The strength of these client relationships continue to drive growth with clients invested broadly across the firm
 - 72% of FUM relates to clients investing in two products or more
 - 45% of FUM relates to clients investing in four products or more
- 1.2% net outflow against a backdrop of net outflows for the industry²

1. Group total in 2019 includes \$0.1bn outflow from Guaranteed Products.
2. Based on industry flows provided by HFR, Preqin and Morningstar

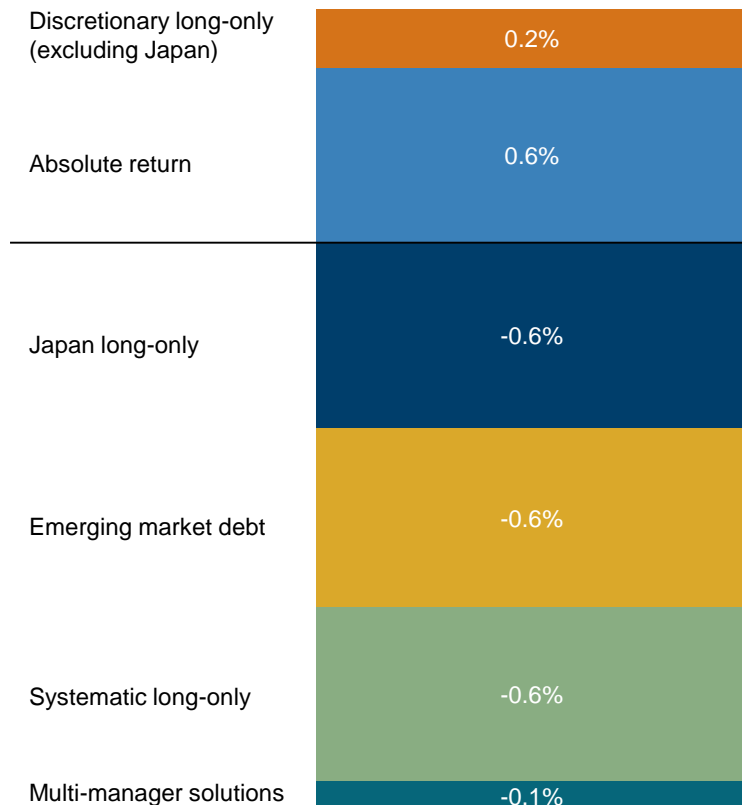
Performance: Strong absolute performance, but softer relative

2019 performance



1. Asset weighted outperformance 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 2019 it covers 89% of the FUM of the Group and excludes infrastructure mandates, Global Private Markets and collateralised loan obligations.

Group 2019 relative performance¹



- Absolute return strategies have outperformed
 - Strong period for momentum strategies
 - Alternative risk premia continues to outperform
 - Very strong performance from Man AHL TargetRisk

- Strategies that are valuation focused have underperformed in the short run

- After several years of outperformance systematic long-only has underperformed in 2019

- Bearish positioning in Emerging market debt strategy caused underperformance in 2019

1. Asset weighted outperformance 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 2019 it covers 89% of the FUM of the Group and excludes infrastructure mandates, Global Private Markets and collateralised loan obligations.

2. Financials

Mark Jones

Chief Financial Officer

P&L: Strong increase in total PBT, driven by performance fees

\$m		2018	2019	Change
Net revenues	Net management fees ¹	791	753	-5%
	Performance fees	127	325	156%
	Investment (losses) / gains	(5)	20	n/a
	Sub-lease rental income	-	14	n/a
	Total	913	1,112	22%
Costs		(657)	(710)	8%
Adjusted PBT	Management fee	217	172	-21%
	Performance fee	34	214	529%
	Total	251	386	54%
Core PBT²	<i>Management fee</i>	203	170	-16%
	<i>Performance fee</i>	34	214	529%
	Total	237	384	62%
Statutory profit before tax		278	307	10%
Earnings per share	Adjusted management fee	11.8c	9.8c	-17%
	Adjusted diluted	13.5c	21.1c	56%
	Statutory diluted	17.0c	18.4c	8%

1. Includes gross management and other fees, distribution costs and for 2018 only, share of post-tax profits of associates.

2. Core PBT is adjusted PBT excluding net management fees relating to guaranteed products and share of post-tax profits of associates.

FUM: Increase driven by strong performance, small net outflow for the year

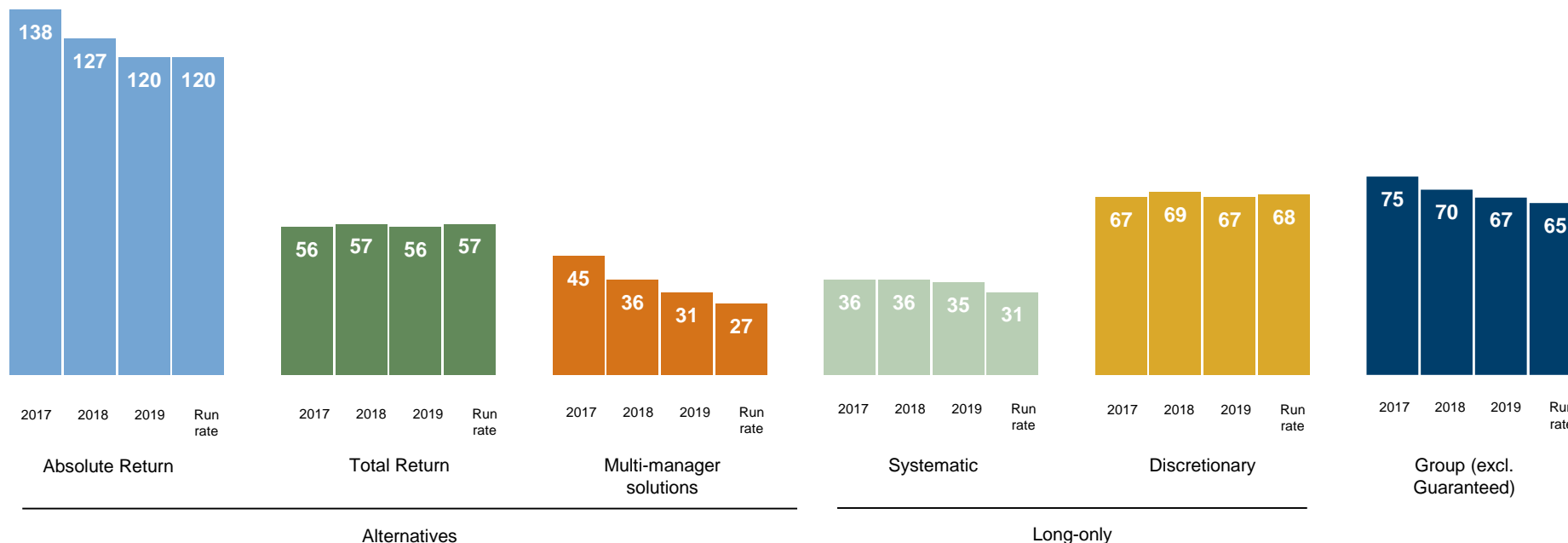
FUM, \$bn

	Dec-18	Q1-Q3 2019 net flows	Q4 2019 net flows	Net flows	Investment movement	FX & Other	Dec-19
Alternative							
Absolute return	28.9	(0.7)	0.1	(0.6)	1.8	0.4	30.5
Total return	22.5	3.4	1.2	4.6	0.4	(0.5)	27.0
Multi-manager solutions	13.5	(0.5)	0.1	(0.4)	0.5	0.4	14.0
Total	64.9	2.2	1.4	3.6	2.7	0.3	71.5
Long-only							
Systematic	24.7	(1.5)	(0.3)	(1.8)	4.8	(0.2)	27.5
Discretionary	18.8	(2.8)	(0.2)	(3.0)	2.6	0.3	18.7
Total	43.5	(4.3)	(0.5)	(4.8)	7.4	0.1	46.2
Guaranteed	0.1	(0.1)	-	(0.1)	-	-	-
Total	108.5	(2.2)	0.9	(1.3)	10.1	0.4	117.7

- Strong absolute performance driven by long-only strategies and quant absolute return strategies
- Inflows into alternatives driven by quant total return strategies, net outflow for the year driven by long-only strategies

Margins: Downward trend in margin, primarily driven by mix

Net management fee margins, bps



- We enter 2020 with higher run rate management fee revenues of \$771m compared to \$751m in 2019
- Discretionary long and total return margins remain largely stable
- As previously highlighted, mix driven downward trends in absolute return and multi-manager solutions continue
- Systematic long-only run rate margin has declined due to some higher margin redemptions and as clients have adjusted allocations during the second half

Management fees: Reduced in 2019, driven by lower starting run rate

\$m		2018	2019	Change
Core	Absolute return	370	354	-4%
	Total return	111	139	25%
	Multi-manager solutions	54	43	-20%
	Systematic long-only	97	93	-4%
	Discretionary long-only	145	122	-16%
Total		777	751	-3%
	Guaranteed	7	2	-71%
	Associate income	7	-	-100%
Total		791	753	-5%

- Drop in 2019 driven by lower starting run rate following market declines in Q4 2018
- 2019 reduction in net management fee revenues driven by absolute return and discretionary long-only
- Continued growth in total return
- Decline in revenues in multi-manager due to transition of the business model from historical fund of funds to solutions provider

Costs: Compensation ratio drops to 43%, fixed costs below guidance

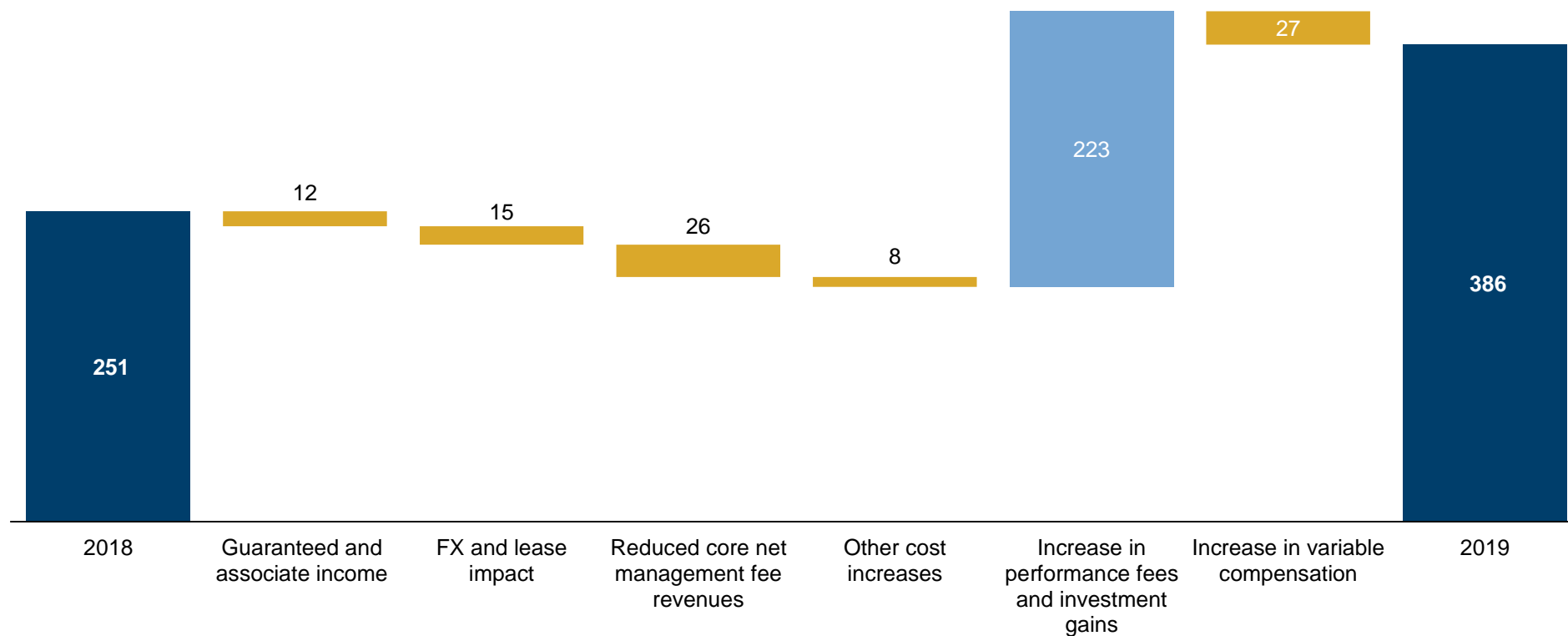
\$m		2018	2019	Change
	Fixed compensation	179	193	8%
	Variable compensation	257	284	11%
Costs	Other cash costs	146	131	-10%
	Asset servicing	51	55	8%
	D&A	24	47	96%
	Total	657	710	8%
Key metrics	<i>Fixed cash costs</i> ¹	325	324	0%
	<i>Compensation ratio</i> ²	48%	43%	

- Compensation ratio drops to 43% reflecting higher performance fees driven by strong AHL performance
- Fixed cash costs of \$324m below full year guidance of \$330m
- Increase in D&A reflects new lease accounting treatment
- 2020 fixed cost guidance of \$330m, assuming a GBP:USD FX rate of 1.32, driven by continued investment into US distribution, technology and private markets, and 2020 project costs in relation to planned London office consolidation
- As a reminder we no longer hedge our fixed costs. A 10% increase in GBP:USD would increase fixed costs by ~\$20m. This would be partially offset by an ~\$11m increase in management fees

1. Fixed compensation and other cash costs
 2. Fixed and variable compensation as a percentage of net revenue

Profits: Strong performance fees drive profits growth

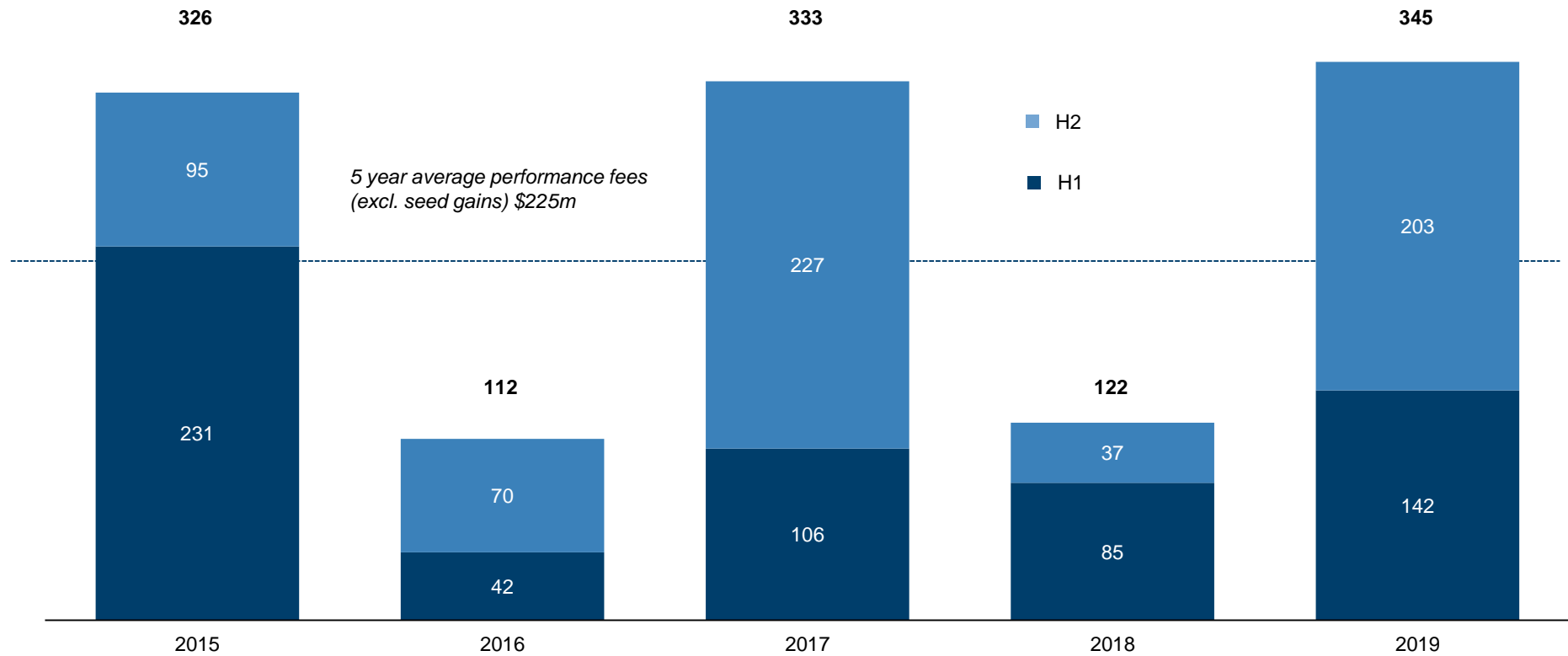
Adjusted total PBT, \$m



- Growth in performance fees drives overall profit increase
- \$27m of non-operating costs impact management fee profits including: guaranteed product run off; nil associate income, following sale of Nephila; FX translation effects; and IFRS 16 accounting treatment
- Other cost increases largely due to annualisation of 2018 investments in technology

Performance fees: Valuable earnings stream over time

Performance fees and seed gains, \$m



Dec-19 performance fee eligible FUM, \$bn

Total

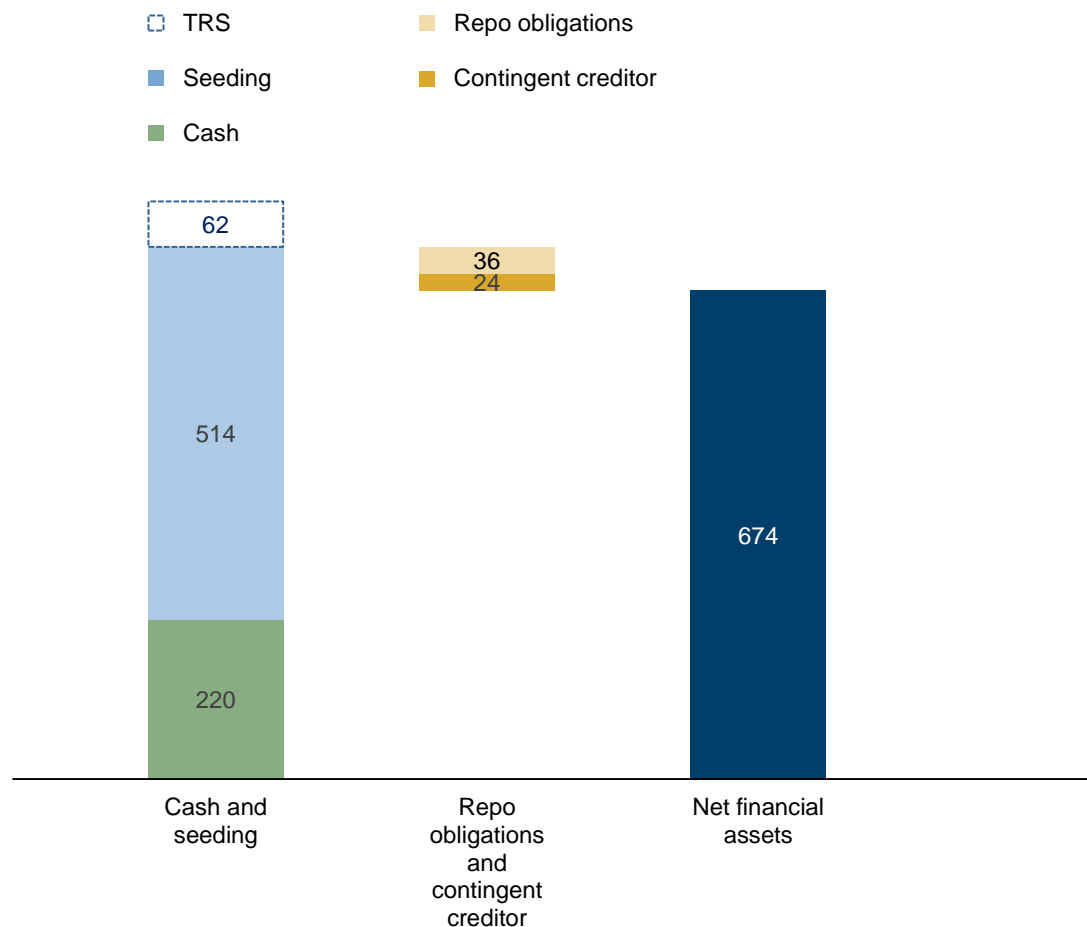
	AHL	GLG	Numeric	FRM	Total
At or above peak	19.3	3.5	0.0	0.0	22.8
Within 5%	1.0	2.8	4.8	0.4	9.0
More than 5% away	2.0	2.0	6.5	1.9	12.4
Total	22.3	8.3	11.3	2.3	44.2

Of which H1 crystallisation

	AHL	GLG	Numeric	FRM	Total
At or above peak	6.3	1.7	0.0	0.0	8.0
Within 5%	0.5	1.6	0.5	0.9	3.5
More than 5% away	1.7	0.2	0.9	1.0	3.8
Total	8.5	3.5	1.4	1.9	15.3

- Performance fees continue to represent a very valuable profit stream for the Group
- We had good performance fee optionality starting the year with \$31.8 billion of performance fee eligible FUM above, at or within 5% of high water mark compared to \$24.9bn as at Dec-18
- We aim to grow this profit stream over time with performance fee eligible FUM having increased ~60% since 2013
- The largest strategy that crystallises in H1 is AHL Evolution. The largest strategies that crystallise in H2 are AHL Alpha and AHL Dimension

Net financial assets, \$m



- Corporate reorganisation complete, and our structure is now consistent with other global asset managers
- Reorganisation facilitated us calling our \$150 million of Tier 2 debt (September 2019)
- Completed final Man Numeric earn out payment (September 2019)
- We now use total return swaps and repos to finance part of our seeding programme
- This change in financing saves ~\$5m in annualised interest
- Further share buyback announced in October, >35% complete as at end of February 2020

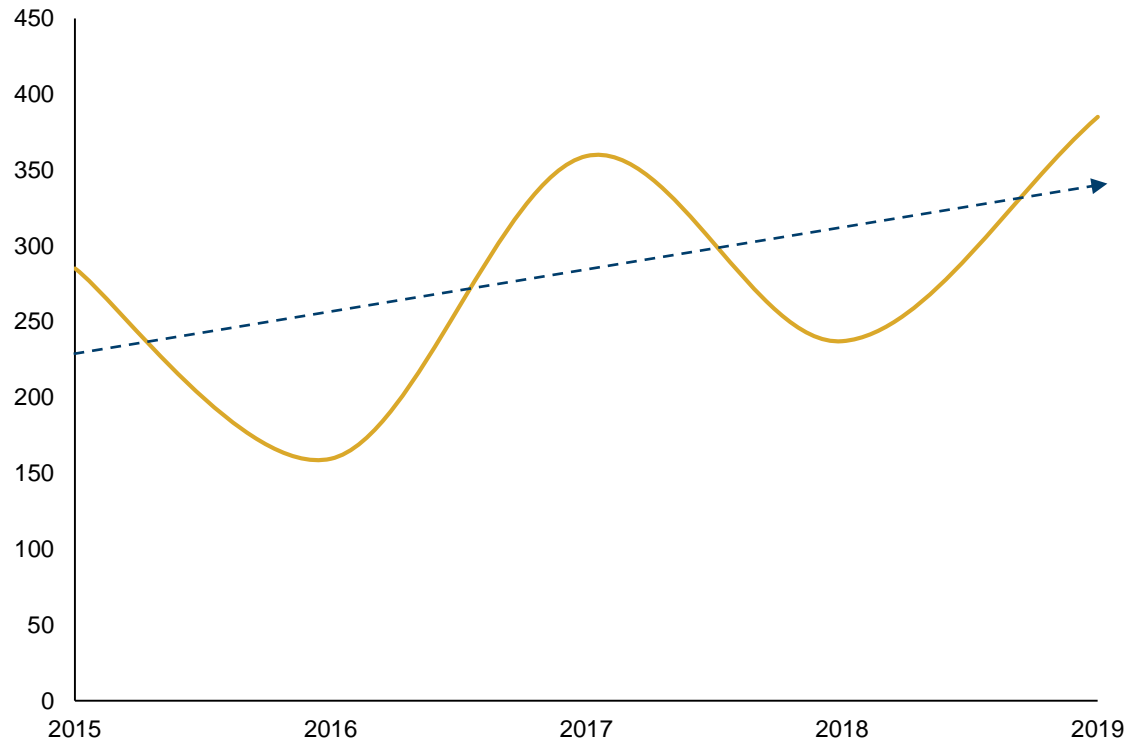
3. Man's positioning

Luke Ellis

Chief Executive Officer

Core profitability: Strong growth over time with a ten year high this year

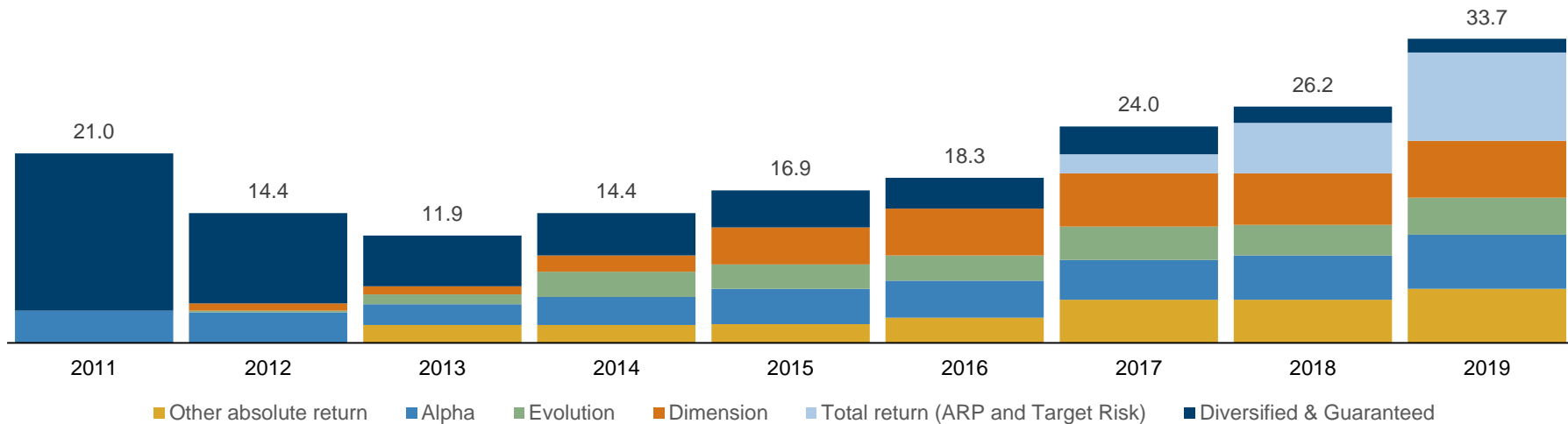
Core profit, \$m



- Core profits of \$384m are at a ten year high
- Individual years will be driven by short term performance fee outcomes
- We focus on growing our management fee profitability and our through-cycle performance fee profitability, and we see strong progress over time

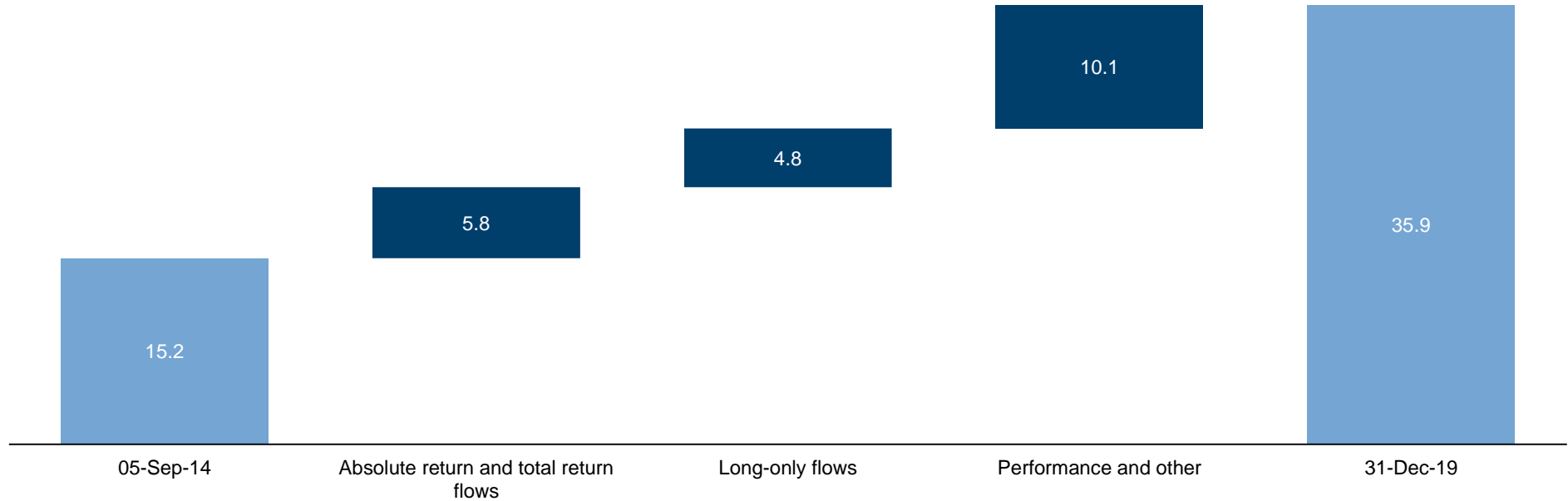
	2011 - 2013	2014 - 2016	2017 - 2019
Annual net flows, %	-7%	3%	8%
Annual gross inflows, \$bn	\$17.0bn	\$22.2bn	\$31.7bn
Annual redemption rate, %	35%	30%	25%
	<ul style="list-style-type: none"> Transition from a guaranteed product distribution business to institutional focus Rapid run off of guaranteed products 	<ul style="list-style-type: none"> Increasing presence with institutional clients, and large scale intermediaries Ramp up of North American distribution, and material traction with North American clients for the first time 	<ul style="list-style-type: none"> Increase in sales productivity with new management model and better client relationships Reduction in redemption rate as we have improved relationships and institutional business model benefits us

AHL FUM, \$bn



- Research and innovation effort has led to new product development, strong organic growth and greater diversification
- Today, Man AHL has a diversified set of strategies serving some of the most sophisticated clients globally
- We offer those strategies in a range of solutions to meet clients' differing needs
- State of the art technology is the differentiator and is applied at every stage; data capture, research, model implementation and trade execution
- While momentum strategies remain an important and valuable part of Man AHL, our offering is much broader today

Numeric FUM, \$bn



- FUM increased by \$20.7bn or 136% since acquisition, with \$10.6bn growth from net inflows demonstrating our ability to distribute new strategies to our clients
- \$5.8bn of those inflows come from absolute and total return strategies, driven by research collaboration to develop new strategies, most notably Alternative Risk Premia, that require capabilities from across the firm
- Average outperformance of 4.8% over the same period

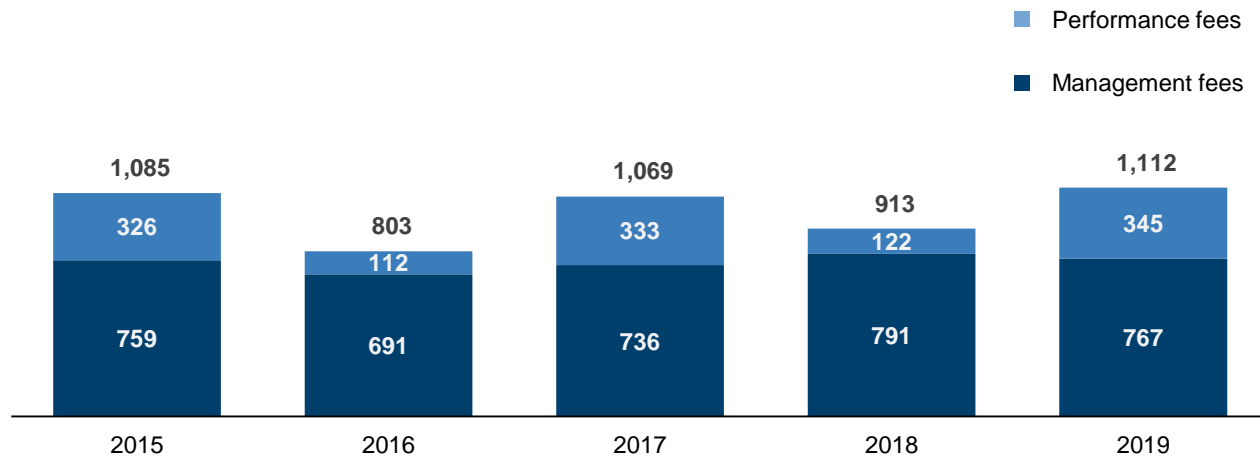
- We are a leading technology driven asset management firm globally
 - 30+ years of experience in quant investing
 - 500+ quants and technologists
 - 6m+ lines of Python code



- This technology expertise and investment drives better results for both our clients and shareholders
- Alpha and performance fees
 - 15% outperformance in quant against peers over 5 years
 - c. \$910m of performance fees from quant strategies over 5 years
- New products
 - \$14bn+ in Alternative Risk Premia and Target Risk strategies raised over the last three years with \$90m of run rate revenue today
- Efficient execution
 - Trading executed through our central trading desk
 - Significant reduction in trading commissions and improvement in execution quality
- Innovation
 - Machine learning applied to investing and trade execution
 - ESG Analytics Tool available for all PMs
 - Alternative data and natural language processing supports quant and discretionary strategies

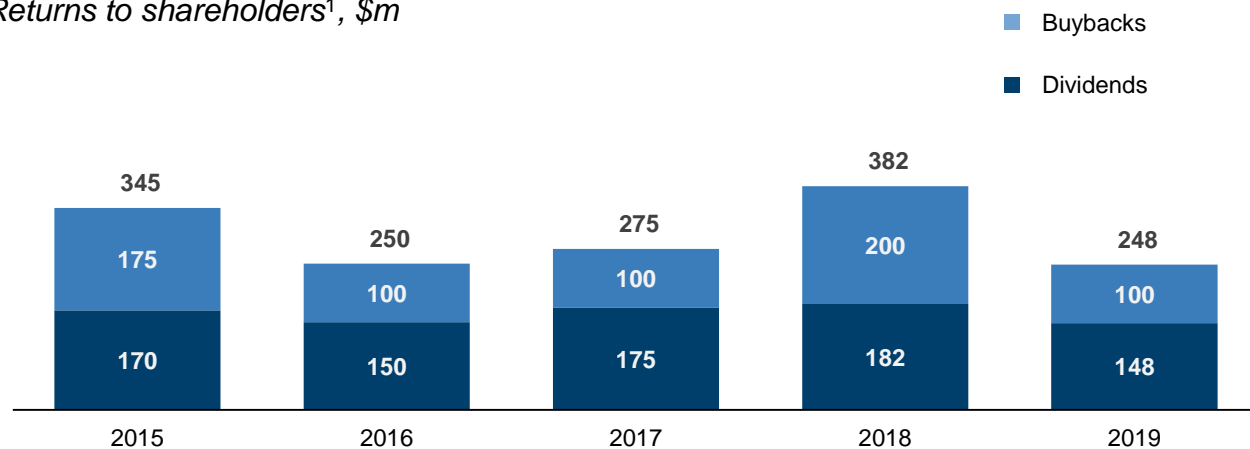
Capital: Strong cash generation and returns to shareholders over time

Net revenues, \$m



- \$1.5bn returned to shareholders over 5 years
- >30% of revenues over that period
- >50% of current market cap

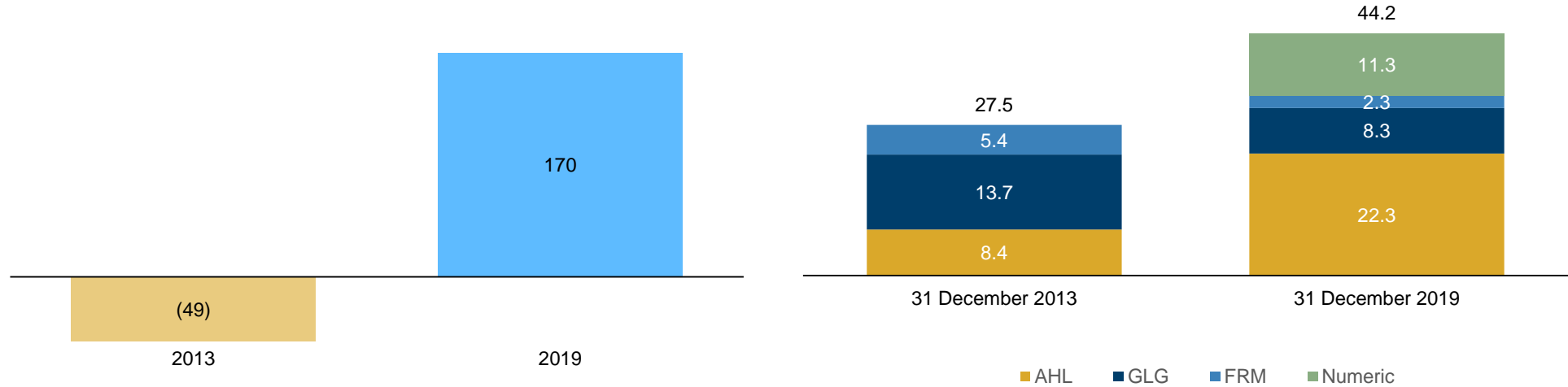
Returns to shareholders¹, \$m



1. Dividends are shown for the related financial year and buybacks are shown in the year of announcement

Core management fee PBT, \$m

Performance fee eligible FUM, \$bn



- The Group has successfully diversified away from our legacy earnings streams
- Core management fee profits have grown over time, reflecting the growth in our core business
- Performance fee potential and the range of strategies which may earn performance fees has grown organically and via acquisition
- Our focus is to continue to grow both earnings streams by delivering outperformance for our clients

Clients

Our business exists to help our clients achieve their investment goals

- 6.2% outperformance relative to peers over the past 5 years
- Responsible investing framework provides credibility, clarity and consistency in our approach to responsible investing and ESG standards
- Constant focus to understand each client individually, and how we can best help them

Employees

Diverse, collaborative and inclusive culture, with staff who are happy and proud to work here

- Range of initiatives to support our culture both today and in the future through our Drive and Paving the way initiatives
- Signatory to the Women in Finance Charter, with women in senior management roles increasing from 16% in 2016 to 20% in 2019, with a target of 25% by the end of 2020
- Positive employee engagement score of 77%

Communities and environment

We are committed to having a positive impact on the communities and environment we operate in

- Committed to reducing our own carbon footprint, with a 19% reduction in 2019 and new targets to 2022
- Creation of CIO for ESG to oversee our ESG and responsible investing initiatives
- Public commitment to further increase volunteering through our new ESG RCF

Partners and suppliers

We work with a wide range of partners and suppliers everyday, and succeed in partnership with them

- Data providers help us develop new sources of return, and improve our research efforts
- Intermediaries help us bring our products to a broader set of clients
- Service providers help us efficiently manage and protect our clients' assets

- We returned to net inflows in Q4 and that momentum has continued into this year
- We started the year with good performance fee optionality for 2020, with many strategies at or above high water mark
- Man Group remains well positioned to grow, supported by specific investment priorities:
 - Continue to invest in technology across the firm to extend our leadership position
 - Broaden our distribution capability to serve a wider range of clients, particularly in North America
 - Further diversify our product capabilities with a focus on income producing strategies across public and private markets, both quantitative and discretionary
- As ever, we remain focused on delivering long-term investment performance and the highest quality service to our clients

Q&A

Appendix

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P&L	pages 39-45
Balance Sheet	pages 46-48
Cash flow	pages 49-50

FUM

FUM by manager and client domicile



Dec-19 FUM, \$bn

Manager

		AHL	Numeric	FRM	GLG	GPM	Total
Alternative	Absolute return	23.9	0.8	-	5.8	-	30.5
	Total return	9.8	7.6	-	7.1	2.5	27.0
	Multi-manager solutions	-	-	14.0	-	-	14.0
Alternative total		33.7	8.4	14.0	12.9	2.5	71.5
long-only	Systematic	-	27.5	-	-	-	27.5
	Discretionary	-	-	-	18.7	-	18.7
long-only total		-	27.5	-	18.7	-	46.2
Total ex-guaranteed		33.7	35.9	14.0	31.6	2.5	117.7
Guaranteed		-	-	-	-	-	-
Total		33.7	35.9	14.0	31.6	2.5	117.7

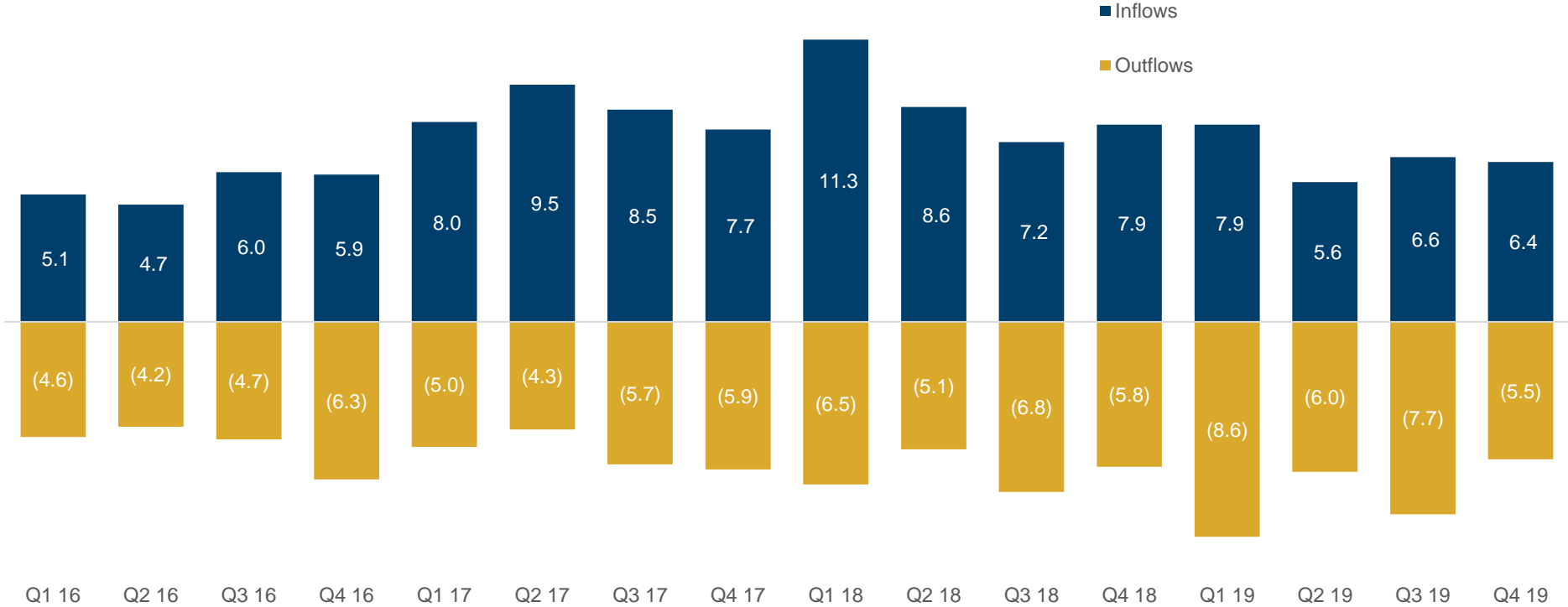
Client domicile

	2018	2019
EMEA	59.7	64.8
Americas	28.3	32.7
Asia	20.5	20.3
Total	108.5	117.7

Quarterly flows 2016 to 2019



Inflows and outflows, \$bn



Dec-19 FUM, \$bn

		USD	EUR	GBP	JPY	AUD	Other	Total
Alternative	Absolute return	18.1	4.0	2.1	1.2	4.9	0.2	30.5
	Total return	11.8	4.6	6.0	2.7	0.6	1.3	27.0
	Multi-manager solutions	8.8	0.5	0.7	0.8	3.1	0.1	14.0
Alternative total		38.7	9.1	8.8	4.7	8.6	1.6	71.5
Long-only	Systematic	25.2	1.5	-	0.4	0.4	-	27.5
	Discretionary	1.9	2.9	11.3	2.4	-	0.2	18.7
Long-only total		27.1	4.4	11.3	2.8	0.4	0.2	46.2
Guaranteed total		-	-	-	-	-	-	-
Total		65.8	13.5	20.1	7.5	9.0	1.8	117.7

Dec-19 FUM, \$bn

			FUM	Reference fund/ Bloomberg ticker, Update frequency ¹
Trend following	Managed Futures (\$11.6bn)	Alpha	6.0	AHL Alpha (Cayman) Limited USD Shares <i>AHLALCY KY, Daily (T+2)</i>
		Evolution	4.1	AHL Evolution Class A1 USD Shares <i>AHLA1EU KY, Monthly</i>
		Diversified	1.5	Man AHL Diversified Guernsey A USD <i>MAHLDGD GU, Daily</i>
Non-trend following	Multi-strategy (\$6.3bn)	Dimension	6.3	AHL Dimension (Cayman) Ltd A USD Shares <i>AGKDCAU KY, Monthly</i>
	Institutional Solutions (\$4.3bn)	AHL institutional solutions	4.3	n/a
	Sector based (\$11.5bn)	Diversified risk premia ² Target risk	9.8	Man Diversified Risk Premia SP Class A GBP <i>MANDRAG KY, Weekly</i> Man AHL TargetRisk I USD <i>GMTRKIU ID, Daily</i>
		Currency Directional equities Volatility Multi-strategy Tailprotect	1.7	n/a
Total AHL			33.7	

1. This is the update frequency for the reference fund on Bloomberg, however it is not indicative of the dealing frequency of the total FUM for this category.

2. Alternative risk premia invests into both AHL and Numeric funds. Information on selected investment products does not constitute an offer, inducement or invitation to invest. The information is selected for shareholders and financial analysts as being indicative of the performance of Man Group's investment management divisions. The page may not be a comprehensive list of all investment strategies across the investment management divisions. No opinion or representation is given regarding the relevance of this information to shareholders and financial analysts. Source: Man database.

Dec-19 FUM, \$bn

		FUM	Selected funds/Bloomberg Ticker/ Relevant Benchmark ¹
Alternatives (\$8.4bn)	Alternative risk premia (total return) ²	7.6	Man Alternative Risk Premia SP Class A USD <i>MANABST KY</i>
	Market neutral (absolute return) ³	0.8	n/a
Long-only (\$27.5bn)	Global	9.2	Global Core <i>MSCI World</i>
	International	9.1	European Core <i>MSCI Europe</i> Japan Core <i>MSCI Japan</i>
	Emerging markets	6.8	Emerging Markets Core <i>MSCI Emerging Markets</i>
	US equities	2.4	Small Cap Core <i>Russell 2000</i> Core <i>Russell 1000</i>
Total Numeric		35.9	

1. This is the update frequency for the reference fund on Bloomberg, however it is not indicative of the dealing frequency of the total FUM for this category.

2. Alternative risk premia invests into both AHL and Numeric funds.

3. Includes 130/30. Information on selected investment products does not constitute an offer, inducement or invitation to invest. The information is selected for shareholders and financial analysts as being indicative of the performance of Man Group's investment management divisions. The page may not be a comprehensive list of all investment strategies across the investment management divisions. No opinion or representation is given regarding the relevance of this information to shareholders and financial analysts. Source: Man database.

Dec-19 FUM, \$bn

		FUM	Reference fund(s)/ Bloomberg ticker, Update frequency ¹
Equities (\$5.3bn)	Equity Absolute return ²	2.0	Man GLG Euro Equity Alternative Class IN EUR <i>GLGGEEC ID EQUITY, Daily</i>
	Other Equity Absolute Return	3.3	Man GLG Alpha Select Alternative Class IL GBP <i>GLGASLE ID Euro, Daily</i>
Credit and Convertibles (\$4.8bn)	CLOs (Total return)	4.3	n/a
	Credit Absolute return ²	0.5	Man GLG Global Credit Multi Strategy Class IL XX <i>GLGUMZU KY EQUITY, Monthly</i>
EM Debt Total Return (\$2.8bn)	EM Debt Total return	2.8	Man GLG Global Emerging Markets Debt Total Return Class I USD <i>MGLGIUS ID, Daily</i>
Total GLG alternatives		12.9	

1. This is the update frequency for the reference fund on Bloomberg, however it is not indicative of the dealing frequency of the total FUM for this category.

2. GLG Equity absolute return and GLG Credit absolute return include allocations from Multi-strategy included in Man Institutional solutions in the FUM by product category table. Information on selected investment products does not constitute an offer, inducement or invitation to invest. The information is selected for shareholders and financial analysts as being indicative of the performance of Man Group's investment management divisions. The page may not be a comprehensive list of all investment strategies across the investment management divisions. No opinion or representation is given regarding the relevance of this information to shareholders and financial analysts. Source: Man database. ``

Dec-19 FUM, \$bn

			FUM	Reference fund(s) Bloomberg ticker, Update frequency ¹
Equities (\$14.1bn)	Japan	Japan CoreAlpha	6.6	Man GLG Japan CoreAlpha Equity Class I JPY GLAAXYN ID EQUITY, Daily
	Europe	UK Select UK Undervalued Assets UK Income	6.6	Man GLG Undervalued Assets Fund Class C GBP GLUVAPC LN, Monthly
		European Equity Continental Europe		Man GLG Continental Europe Growth Fund Class C GBP GB00B0119487 / SGESOCA LN, Daily
	Global	Global Equity	0.6	n/a
Multi Asset	Balanced Managed	0.3	Man Balanced Managed Fund Class C GBP GB00B87M3166 / SGGLMPC LN, Daily	
Credit & Convertibles (\$2.6bn)	Credit & Convertibles	Convertible Strategic Bond High yield	2.6	Man GLG Global Convertibles Class DL USD GLGCUFL ID, Daily Man GLG Strategic Bond Fund Class C GBP GLGSTBC LN, Monthly
EM Fixed Income (\$2.0bn)	EM Debt	Emerging Markets Debt	2.0	Man GLG Global Emerging Markets Local Currency Rates Class I C USD MNGEMIU ID, Daily
Total GLG long-only			18.7	

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Dec-19 FUM, \$bn

Strategy		FUM	Reference fund/ Bloomberg ticker, Update frequency ¹
Segregated Funds (\$5.9bn)	Various	5.9	n/a
Infrastructure MACs (\$6.9bn)	Infrastructure	6.9	n/a
Diversified & Thematic FoHFs (\$1.2bn)	FRM Diversified Other	1.2	FRM Diversified II Fund Class A JPY FRMDYEA KY
Total FRM		14.0	

1. This is the update frequency for the reference fund on Bloomberg, however it is not indicative of the dealing frequency of the total FUM for this category. Information on selected investment products does not constitute an offer, inducement or invitation to invest. The information is selected for shareholders and financial analysts as being indicative of the performance of Man Group's investment management divisions. The page may not be a comprehensive list of all investment strategies across the investment management divisions. No opinion or representation is given regarding the relevance of this information to shareholders and financial analysts. Source: Man database

Dec-19 FUM, \$bn

Strategy		FUM	Reference fund/ Bloomberg Ticker
Real estate debt (\$1.6bn)	US residential debt	1.2	n/a
	EU corporate real estate debt	0.4	n/a
Real estate equity (\$0.9bn)	US residential equity	0.9	n/a
Total GPM		2.5	

P&L

Profit and loss, \$m

	Year ended 31 December 2018	Year ended 31 December 2019
Gross management and other fees	835	791
Share of after tax profit of associates	7	-
External distribution costs	(51)	(38)
Net management fee revenue	791	753
Performance fees	127	325
Gains on investments	(5)	20
Sub-lease rental income	-	14
Net revenue	913	1,112
Asset servicing	(51)	(55)
Compensation	(436)	(477)
– Fixed	(179)	(193)
– Variable	(257)	(284)
Other costs	(170)	(178)
Total costs	(657)	(710)
Net finance expense	(5)	(16)
Adjusted profit before tax	251	386

Profit and loss, \$m

	Year ended 31 December 2018	Year ended 31 December 2019
Adjusted profit before tax (from previous slide)	251	386
Amortisation and impairment of acquired intangible assets	(83)	(83)
Revaluation of contingent consideration	31	37
Unwind of contingent consideration discount	(28)	(18)
Other restructuring related costs	(6)	(6)
Gain on sale of investment in Nephila	113	1
Unrealised foreign exchange movements on lease liabilities and associated deferred tax	-	(10)
Profit before tax	278	307
Taxation	(5)	(22)
Profit after tax	273	285
Tax rate (before adjusting items)	14%	15%
Diluted weighted average # shares (m)	1,603	1,544
Adjusted diluted EPS, cents	13.5	21.1
Statutory diluted EPS, cents	17.0	18.4
Net management fee EPS, cents	11.8	9.8

Adjusted management fee PBT, \$m

	Year ended 31 December 2019
Net management fees	753
Sub-lease rental income	14
Asset servicing	(55)
Compensation - fixed	(193)
Compensation - management fee variable	(159)
Other costs	(178)
Net finance expense	(10)
Adjusted management fee PBT	172

Adjusted performance fee PBT, \$m

	Year ended 31 December 2019
Performance fees and gains on investments	345
Variable compensation attributed to performance fees	(125)
Finance expense	(6)
Adjusted performance fee PBT	214

	Year ended 31 December 2019 (\$m)	Commentary
Fixed compensation	193	<ul style="list-style-type: none"> ▪ ~60% of fixed compensation costs are in GBP, which are no longer hedged
Variable Compensation	284	<ul style="list-style-type: none"> ▪ Depends on mix of management versus performance fee revenue and proportion of GLG and Numeric vs. AHL and FRM revenues
- <i>Management fee related variable compensation</i>	159	
- <i>Performance fee related variable compensation</i>	125	
Total compensation	477	<ul style="list-style-type: none"> ▪ Overall compensation to net revenue ratio expected to be in the range of 40% to 50% depending on the mix and level of revenue: <ul style="list-style-type: none"> – At the lower end of the range when performance fees are higher and AHL revenues are a larger proportion of the total – At the higher end of the range when performance fees are lower and GLG and Numeric revenues are a larger proportion of the total

	Year ended 31 December 2019 (\$m)	Commentary
Asset servicing	55	<ul style="list-style-type: none"> ▪ 2020: Guidance – Around 7bps on FUM excluding Numeric long-only and Man Global Private Markets
Other cash costs	131	<ul style="list-style-type: none"> ▪ ~60% of other cash costs are in GBP, which will no longer be hedged
Depreciation and amortisation	47	
Total non compensation costs	233	

	Year ended 31 December 2019 (\$m)	Commentary
Net finance expense	(16)	<ul style="list-style-type: none"> ▪ 2019 includes \$14m unwind of discount in relation to IFRS16. \$6m finance expense relating to coupon costs for the Tier 2 debt
Adjusted PBT	386	
Adjusting items	(79)	<ul style="list-style-type: none"> ▪ 2019 includes: <ul style="list-style-type: none"> – \$(78)m of amortisation of acquired intangible assets – \$37m of revaluation of contingent consideration – \$(18)m of unwind of contingent consideration discount – \$1m gain on sale of investment in Nephila – \$(21)m of other costs (see page 41 for detail)
Statutory profit	307	
Tax rate on adjusted PBT	15%	<ul style="list-style-type: none"> ▪ Effective tax rate on adjusted profit of 15% for 2019 ▪ Underlying tax rate of 14% to 18% depending on mix of management and performance fee earnings and proportion of US earnings
Diluted weighted average # shares (m)	1,544m	<ul style="list-style-type: none"> ▪ Should continue to adjust for impact of the remaining share repurchase programme (as at 31 January 2020 c.\$65m to complete of the previously announced \$100 million)

Balance Sheet

ASSETS	31 December	31 December
	2018	2019
	(\$m)	(\$m)
Cash and cash equivalents	370	281
Fee and other receivables	307	426
Investment in fund products and other investments	770	776
Pension asset	24	16
Leasehold improvements and equipment	46	40
Right-of-use lease asset	-	209
Goodwill and acquired intangible	938	854
Other intangibles	26	31
Deferred tax assets	93	120
	2,574	2,753
Non-current assets held for sale	39	-
Total Assets	2,613	2,753
LIABILITIES		
Trade and other payables	701	559
Lease liability	-	307
Provisions	26	8
Current tax liabilities	10	14
Third party interest in consolidated funds	100	213
Borrowings	150	-
Deferred tax liabilities	33	28
	1,020	1,129
Non-current liabilities held for sale	-	-
Total Liabilities	1,020	1,129
NET ASSETS	1,593	1,624
Net Tangible Assets	629	739

	31 December 2018	31 December 2019
	(\$m)	(\$m)
Loans to funds	9	4
Other investments in fund products	401	349
Less those used to hedge deferred compensation awards	(87)	(98)
Investments in funds relating to line-by-line consolidated fund entities	357	420
Included in cash	26	61
Included in receivables	21	2
Included in trade and other payables	(4)	(11)
Less third party interest in consolidated funds	(100)	(213)
Non-current assets held for sale	39	-
Total seeding investments	662	514
<i>TRS exposure</i>	-	62

Cash flow

	31 December 2018	31 December 2019
	(\$m)	(\$m)
Cash at beginning of the period¹	356	344
Operating cash flows before working capital movements	311	465
Working capital movements (excluding seeding)	201	(127)
Working capital movements - seeding ¹	(193)	145
Payment of dividends	(189)	(152)
Share repurchase (including costs)	(211)	(92)
Repayment of Tier 2 debt	-	(150)
Payment of acquisition related contingent consideration	(25)	(169)
Proceeds from sale of investments in Nephila	140	1
Other movements	(46)	(45)
Cash at 31 December¹	344	220

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