



Full year results 2022

Announced 28 February 2023

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LSE:EMG



Business update

Luke Ellis
Chief Executive Officer



Delivering alpha for our clients and profits for our shareholders

\$143.3bn

Assets under management

Significant alpha and net inflows reflect quality of investment offering

- Investment performance of \$2.8 billion from absolute return strategies in volatile markets
- Continued organic growth, with net inflows of \$3.1 billion, 5.3% ahead of the industry¹

+26%

Core EPS growth

Core EPS growth demonstrates the strength of our business model

- Core management fee EPS of 18.4¢, 17% growth, despite clear sector headwinds
- Core EPS of 48.7¢, driven by very strong performance fees

\$444m

Return of capital

Consistent shareholder returns and capital discipline support long-term growth prospects

- Total dividend of 15.7¢ per share, 12% growth, and \$250 million of share repurchases in 2022
- Intention to repurchase a further \$125 million of shares once the current programme² is complete

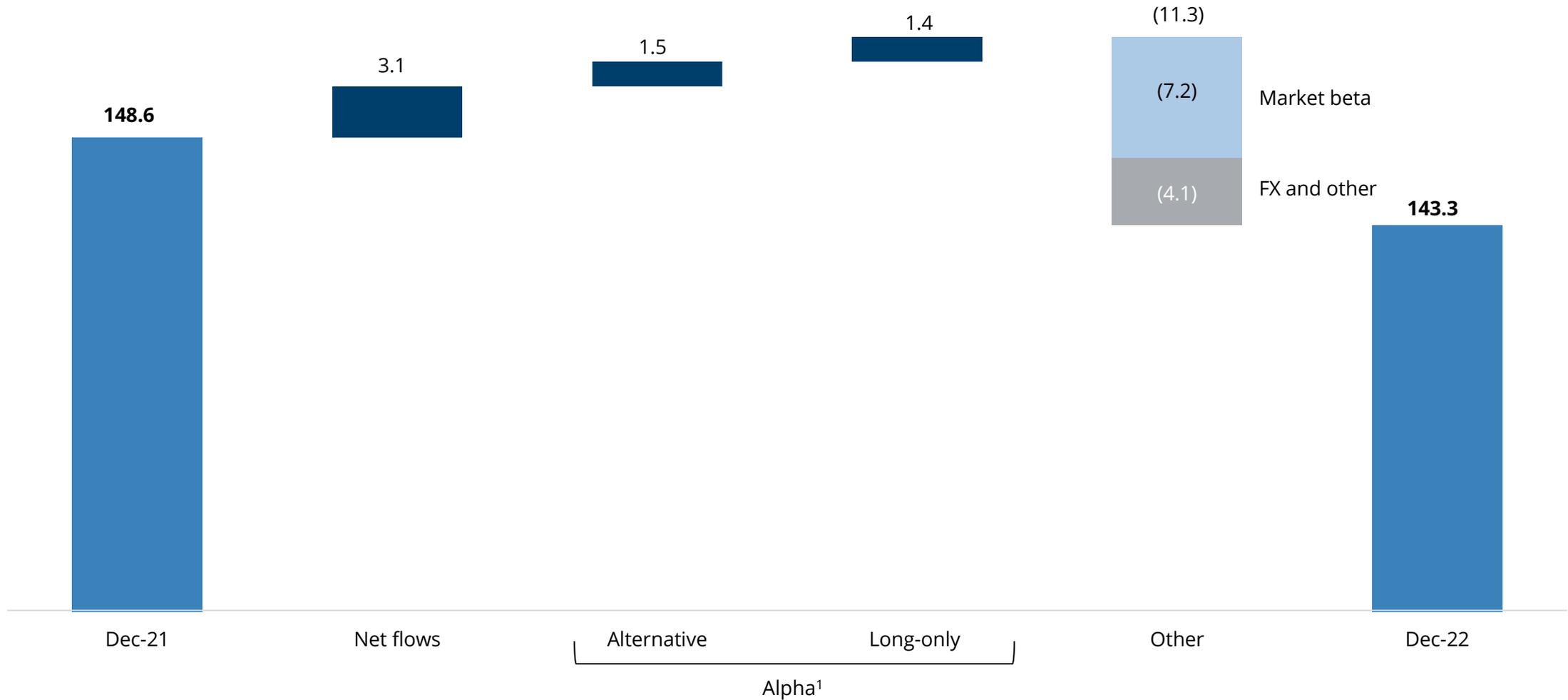
1. Based on asset-weighted industry net flows. Source: HFR, Morningstar, Man Group analysis

2. \$125 million programme announced in Dec 2022; \$114 million of shares had been repurchased as at 24 February 2023

Note: all earnings per share measures shown above are on a diluted basis

Net inflows and alpha offset by market beta and FX headwinds

Assets under management (AUM), \$bn

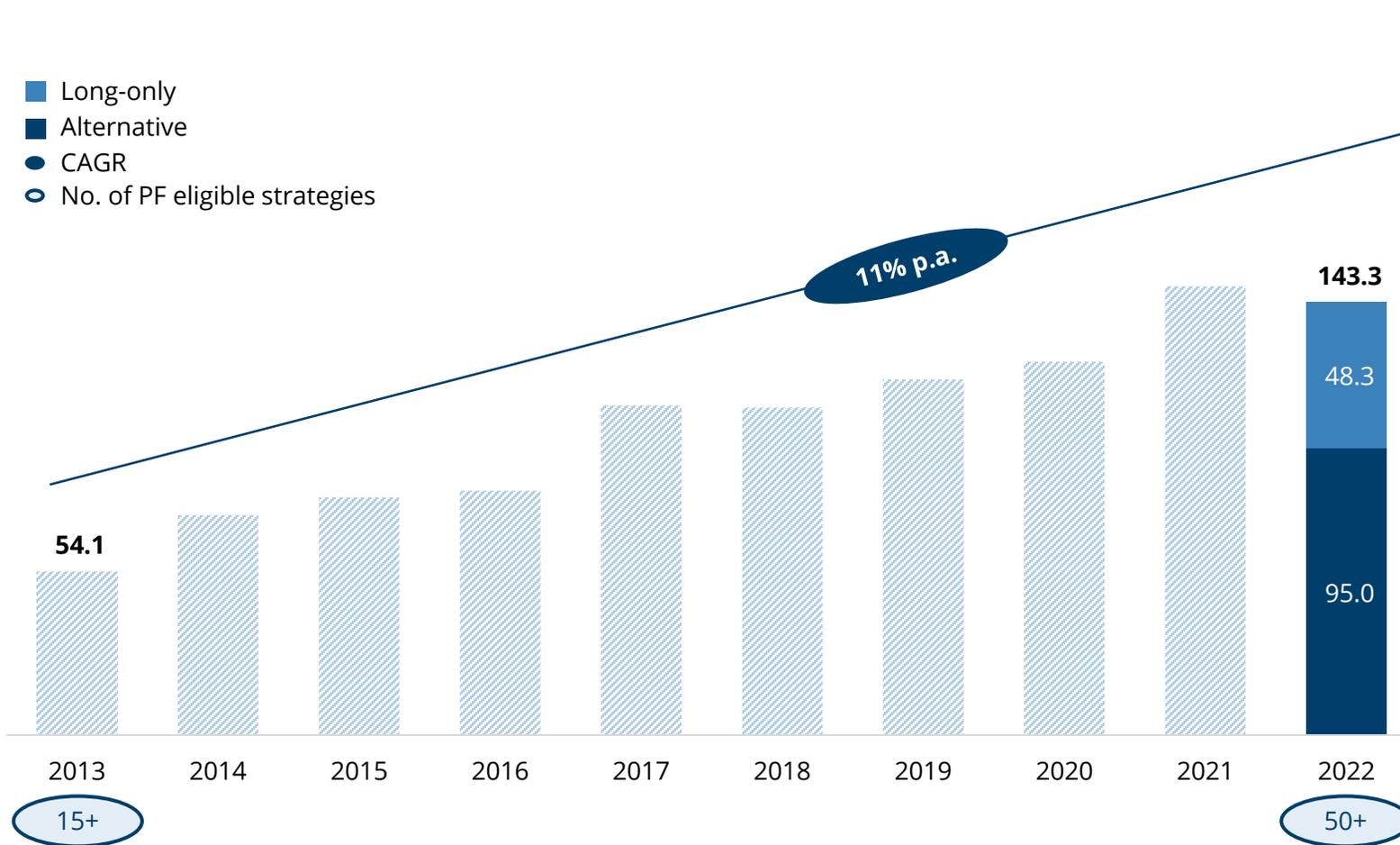


1. Alpha generation calculated as absolute investment performance, excluding fund distributions, for alternative strategies and benchmark relative return for long-only strategies in the twelve months ended 31 December 2022

Growing our range of investment strategies and solutions

AUM, \$bn

- Long-only
- Alternative
- CAGR
- No. of PF eligible strategies



\$95.0bn
AUM from alternative strategies

\$28.1bn
Cumulative net inflows 2018 - 2022

66%
AUM customised for individual client needs

Significant value added to our clients' portfolios

Investment performance

	Absolute \$bn	Relative \$bn	
Alternative	+1.2	-0.2	<ul style="list-style-type: none"> Strong performance in the absolute return and multi-manager categories Greater diversification drives absolute return relative underperformance Total return absolute investment performance impacted by market beta
Long-only	-5.5	+2.0	<ul style="list-style-type: none"> Very strong relative outperformance of 3.9% across the category Outperformance of 6.9% from discretionary long-only Absolute investment performance impacted by market beta
Total	-4.3	+1.8	<ul style="list-style-type: none"> Overall asset-weighted outperformance of 1.4%¹, demonstrating our ability to deliver uncorrelated returns for our clients

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 2022 it covers 86% 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 client demand for our investment offering

Net flows

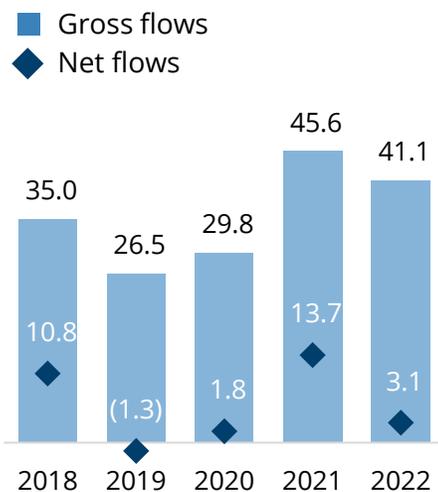
	2021 \$bn	2022 \$bn	
Alternative	+9.4	+3.4	<ul style="list-style-type: none"> ▪ Inflows highlight client demand for liquid alternative strategies ▪ Redemptions driven by rebalancing and liquidity requirements
Long-only	+4.3	-0.3	<ul style="list-style-type: none"> ▪ Systematic inflows reflect client demand for quant long-only strategies ▪ Discretionary outflows driven by GLG Continental Europe and GLG EM Debt
Total	+13.7	+3.1	<ul style="list-style-type: none"> ▪ Net inflows of 2.1%¹, ahead of the industry by 5.3%², gaining market share in a testing environment

1. Calculated as: net flows / beginning of period AUM

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

Deep relationships with the largest allocators globally

Gross and net flows, \$bn



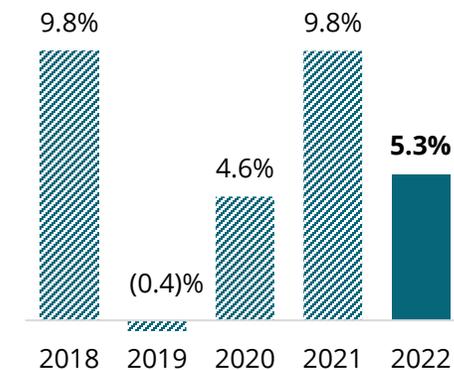
Strong engagement across a range of market environments

Top 25 client statistics¹

	# of strategies	AUM per strategy \$bn
2018	4.1	0.5
2022	4.4	0.7

Broadening our relationships with existing clients

Relative net flows²



Gaining market share on a consistent and sustainable basis

1. For holdings >\$25m

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



Financial highlights

Antoine Forterre
Chief Financial Officer



Differentiated business model drives strong results

\$1,696m

Core net revenue

- \$927 million of core net management fees, 6% higher than 2021
- Core performance fees of \$779 million, the strongest outcome in over a decade

46%

Core PBT margin¹

- Fixed cash costs of \$332 million, reflecting investment in growth areas and a weaker sterling
- 40% compensation ratio, at the bottom of the guided range

\$779m

Core PBT

- 18% increase in core PBT compared with 2021
- Driven by core management fee and performance fee PBT increases of 9% and 25%, respectively

\$983m

Net financial assets

- Strong and liquid balance sheet supports organic and inorganic growth opportunities
- Seed investments² of \$688 million, across 54 alternative and long-only strategies

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

2. Net of \$138m exposure via total return swaps

Assets under management

AUM, \$bn

	AUM at 31 Dec 2021	Net flows	Investment performance	FX & other	AUM at 31 Dec 2022
Absolute return	41.2	1.4	2.8	0.6	46.0
Total return	35.4	(1.8)	(2.4)	(2.4)	28.8
Multi-manager	15.0	3.8	0.8	0.6	20.2
Alternative	91.6	3.4	1.2	(1.2)	95.0
Systematic	36.1	1.2	(4.6)	(1.1)	31.6
Discretionary	20.9	(1.5)	(0.9)	(1.8)	16.7
Long-only	57.0	(0.3)	(5.5)	(2.9)	48.3
Total	148.6	3.1	(4.3)	(4.1)	143.3

\$1.2bn

Alternative investment
performance

+5.3%

Relative net flows¹

+1.4%

Relative performance²

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

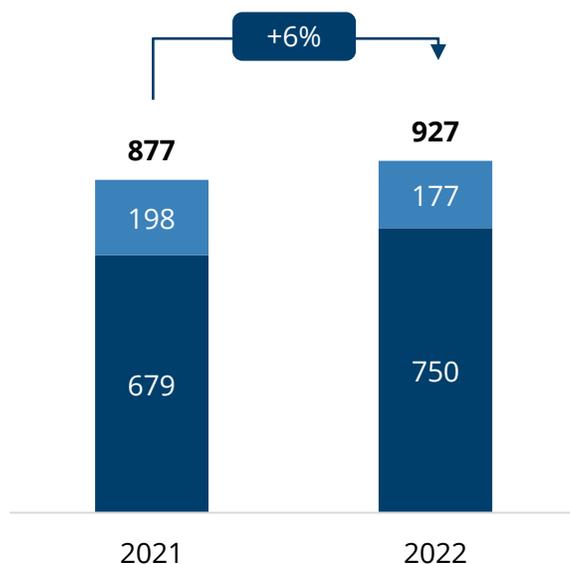
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Continued net management fee growth

Core net management fees, \$m

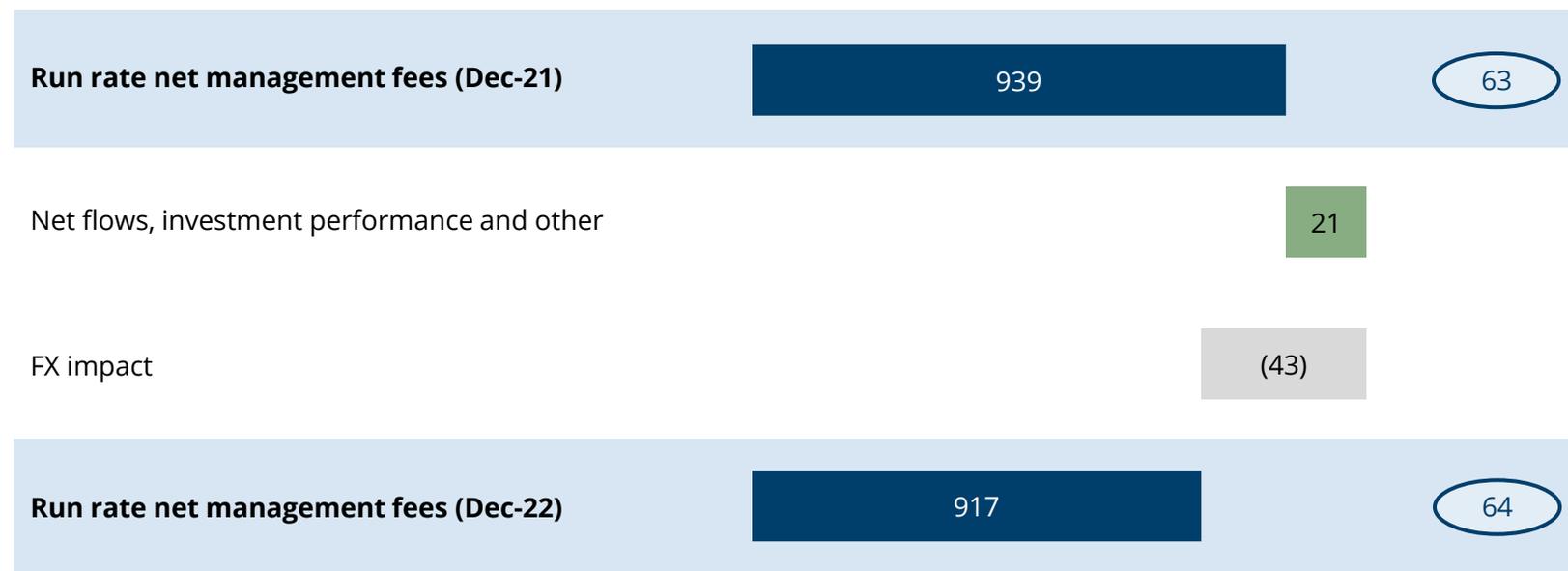
Actual net management fees, \$m

- Alternatives
- Long-only



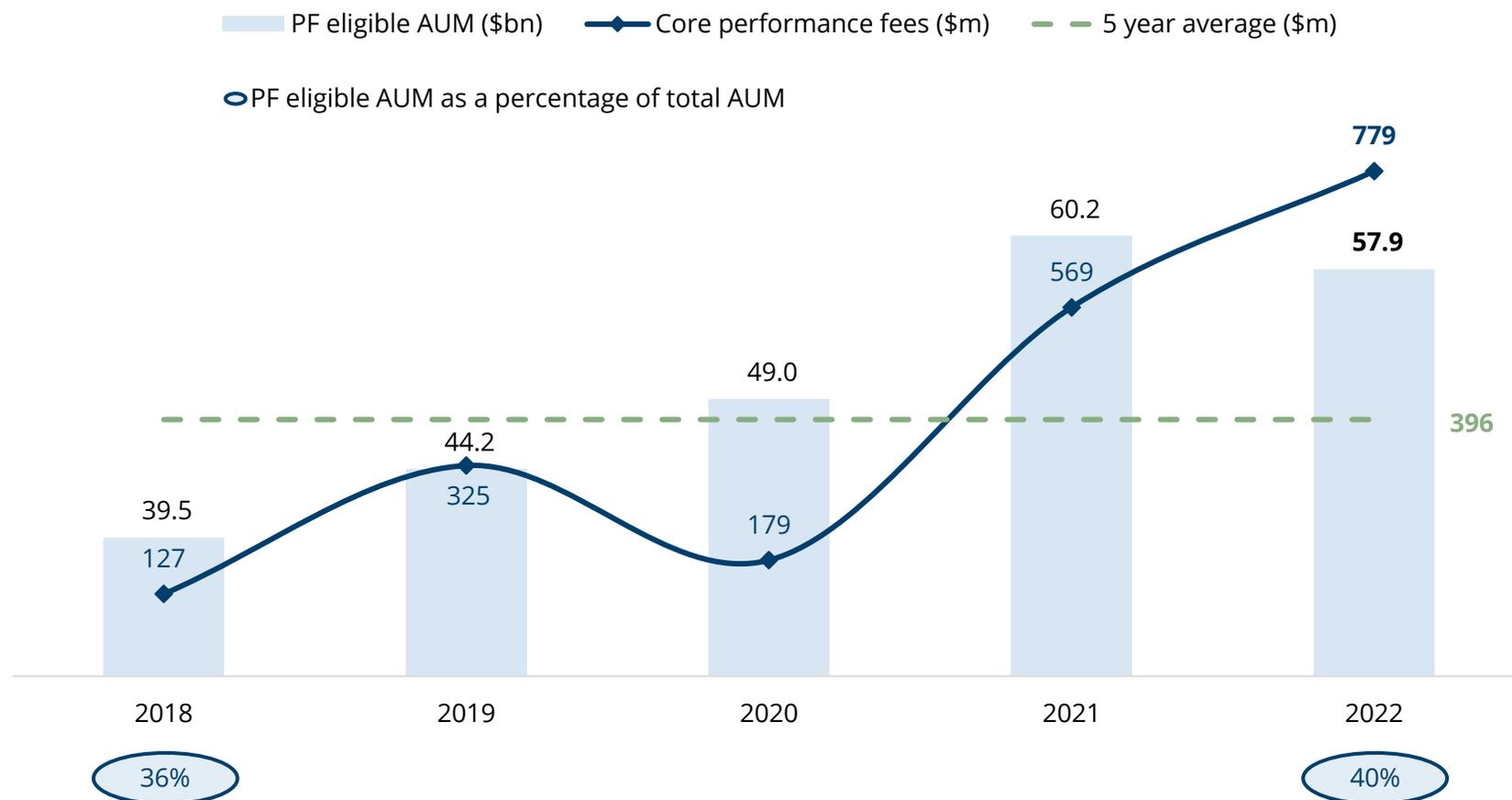
Run rate net management fees, \$m

- Run rate net management fee margin (bps)



Very strong and recurring performance fee generation

Core performance fees (PF) and PF eligible AUM



\$27.2bn

PF eligible AUM
at high-water mark

\$17.7bn

PF eligible AUM
within 5% of peak

c.\$100m

PF accrued¹
as at 31 January 2023

1. Accrued and uncrystallised, due to crystallise in 2023
Past performance is not an indication of future performance

Significant operating leverage

Costs, \$m

	2021	2022	Change	
Costs	Fixed compensation	208	209	0%
	Variable compensation	388	469	21%
	Other cash costs	115	123	7%
	Asset servicing	58	58	0%
	D&A	46	47	2%
	Net finance expense	13	11	(15%)
	Total	828	917	11%
Key metrics	<i>Fixed cash costs¹</i>	323	332	3%
	<i>Compensation ratio</i>	40%	40%	
	<i>Core PBT margin²</i>	44%	46%	

40%

Compensation ratio

46%

Core PBT margin²

\$355m

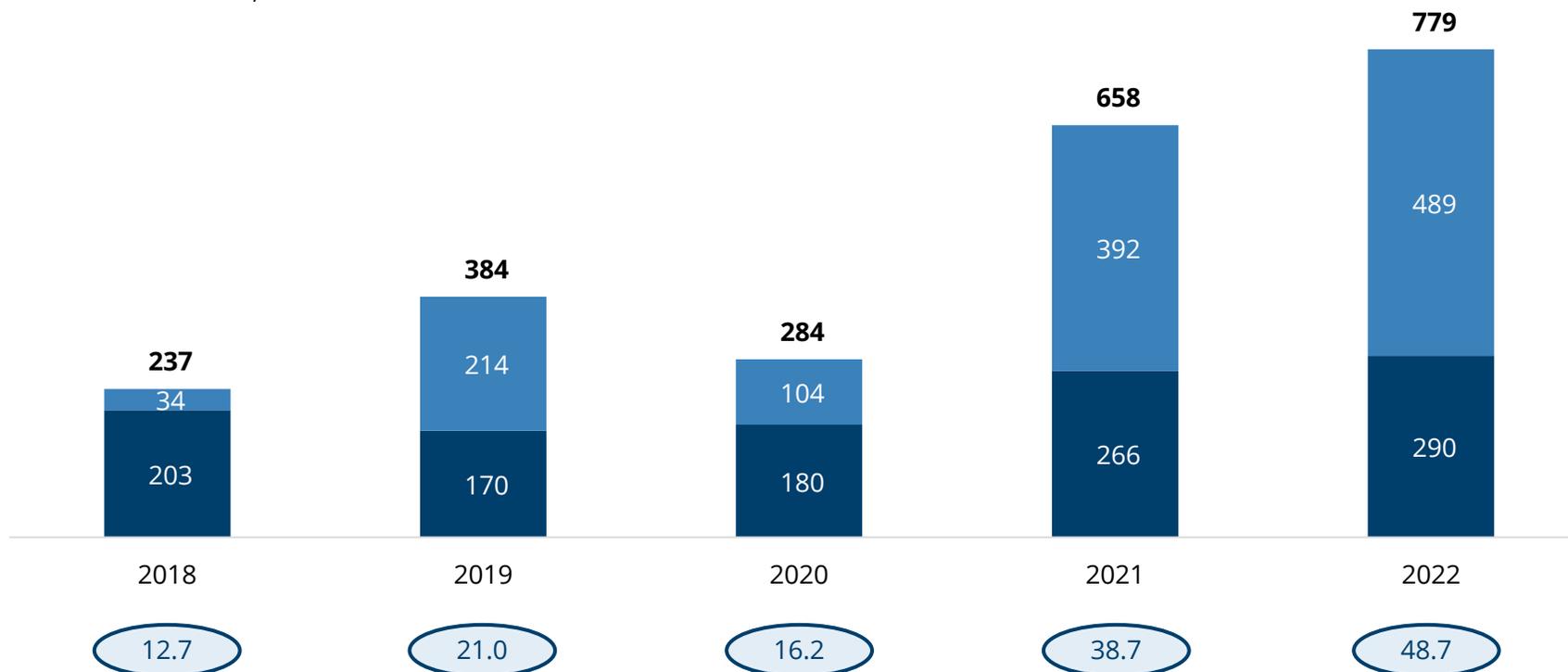
Fixed cash costs
2023 target³

1. Includes fixed compensation and other cash costs
2. Defined as: core profit before tax / core net revenue
3. Fixed cash cost target assuming GBPUSD of 1.21

Another strong period of earnings growth

Core profit before tax and earnings per share

- Core MF PBT, \$m
- Core PF PBT, \$m
- Core EPS, \$c



7%

Core MF PBT CAGR
2018 - 2022

\$489m

Core PF PBT
2022

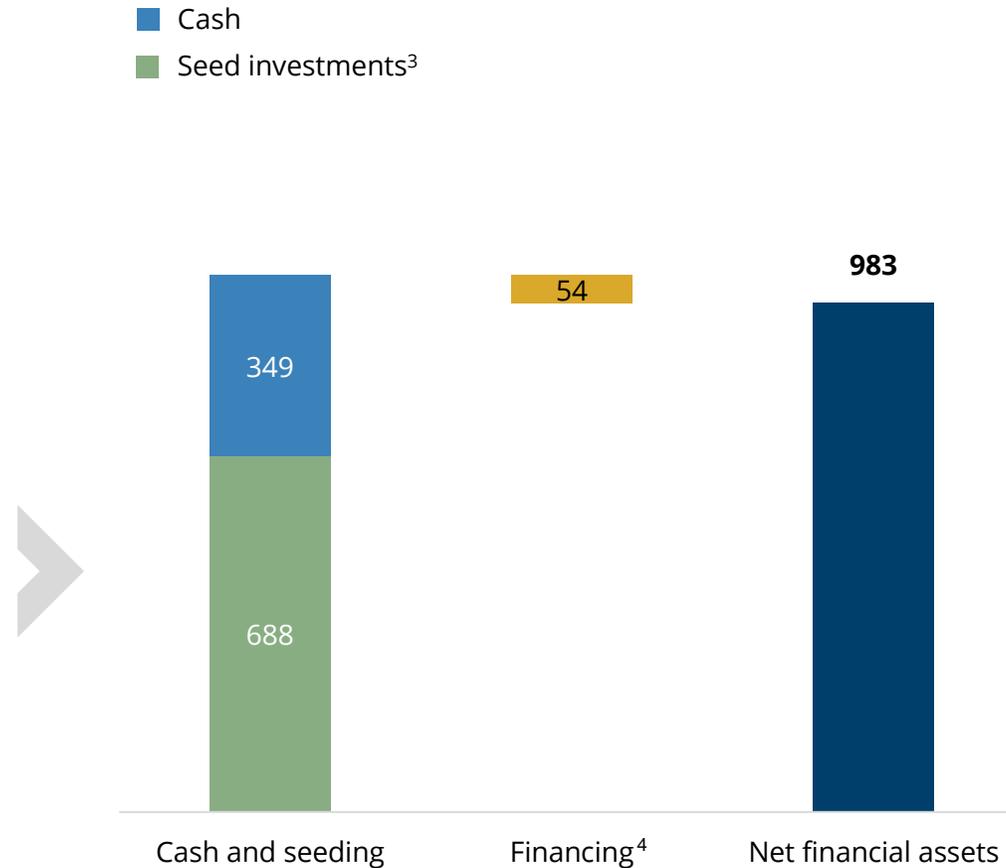
31%

Core EPS CAGR
2018 - 2022

Strong balance sheet supporting future growth

Net financial assets as at December 2022, \$m¹

Seeding portfolio	
Key statistics	
Gross exposure	\$826m
# of positions	54
Avg. position size	\$15m
Weighted avg. hold period	2.4 years
VAR ²	\$43m
By strategy	
Alternatives	73%
Long-only (beta hedged)	27%
By style	
Quant	30%
Discretionary	70%
By asset class	
Liquid markets	75%
Private markets (inc. CLOs)	25%



20+
New seed investments in 2022

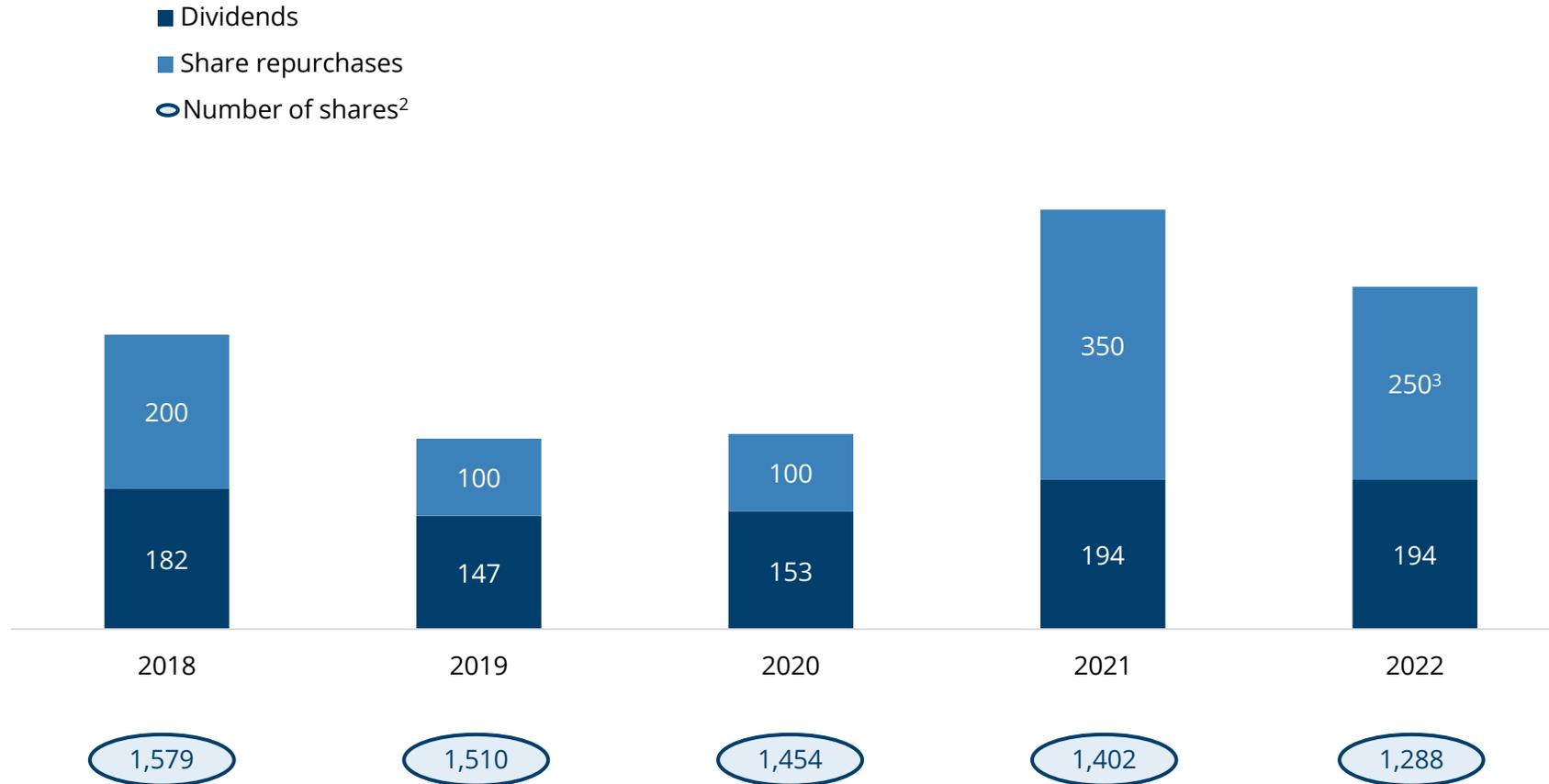
\$47m
5-year gains on investments and FX

Continuing focus on M&A

1. Excludes December performance fee receipts, the remaining \$98m share buyback as at 31 December 2022 and the proposed 2022 final dividend
 2. Value-at-risk for the seed book is measured by calculating the potential risk of loss for investments based on a 95% confidence interval given normal market conditions over a one-year time horizon
 3. Net of \$138m exposure via total return swaps
 4. Financing comprises \$54m of payables under repo arrangements

Consistent and significant capital returns

Dividends and share repurchases, \$m¹



\$444m

Shareholder returns³
2022

\$1.9bn

Shareholder returns³
2018 - 2022

23%

Increase in earnings
participation⁴

1. Dividends are shown for the financial year in relation to which they were declared, calculated using basic number of shares at period end. Share repurchases are shown in the year of announcement

2. Weighted average basic number of shares, in millions

3. Excludes intention to repurchase \$125 million of shares announced in February 2023

4. Calculated using weighted average basic number of shares, in millions, between 2018 and 2022



Positioning

Luke Ellis
Chief Executive Officer



Another period of strong growth drives confidence in our strategy

We are a global leader in liquid alternatives and solutions

- A track record of delivering alpha at scale in a range of market environments and providing access to liquidity

We offer a compelling range of investment strategies

- Highly customisable and innovative investment strategies, with a proven ability to launch and grow products that meet clients' evolving requirements

We have a scalable platform powered by talent and technology

- A single operating platform, underpinned by talent and technology, that can handle scale, complexity and customisation

2022 illustrated why institutions need to allocate to liquid strategies and this presents a significant runway for growth for our business

A global leader in liquid alternatives and solutions

A track record of *delivering uncorrelated returns*

AHL Alpha	11.0%
AHL Dimension	8.8%
ARP	11.9%
Man Strategies 1783	12.3%
GLG Alpha Select	4.8%
GLG GCMS	3.6%

Investment performance in 2022

The ability to offer *customised solutions at scale*

\$94.9bn
or 66%

AUM customised for individual client needs

One of the *largest liquid alternatives providers*

\$39.0bn
or 41%

AUM in alternatives with daily or weekly liquidity terms

UK LDI episode: delivering for our clients

Access to liquidity

We met c.\$3 billion¹ of redemption requests, with weekly or shorter notice, returning much-needed capital in full and on time

Uncorrelated returns

The weighted average performance of the redeemed capital was c.12%², highlighting the value added to portfolios during a volatile period

Long-term relationships

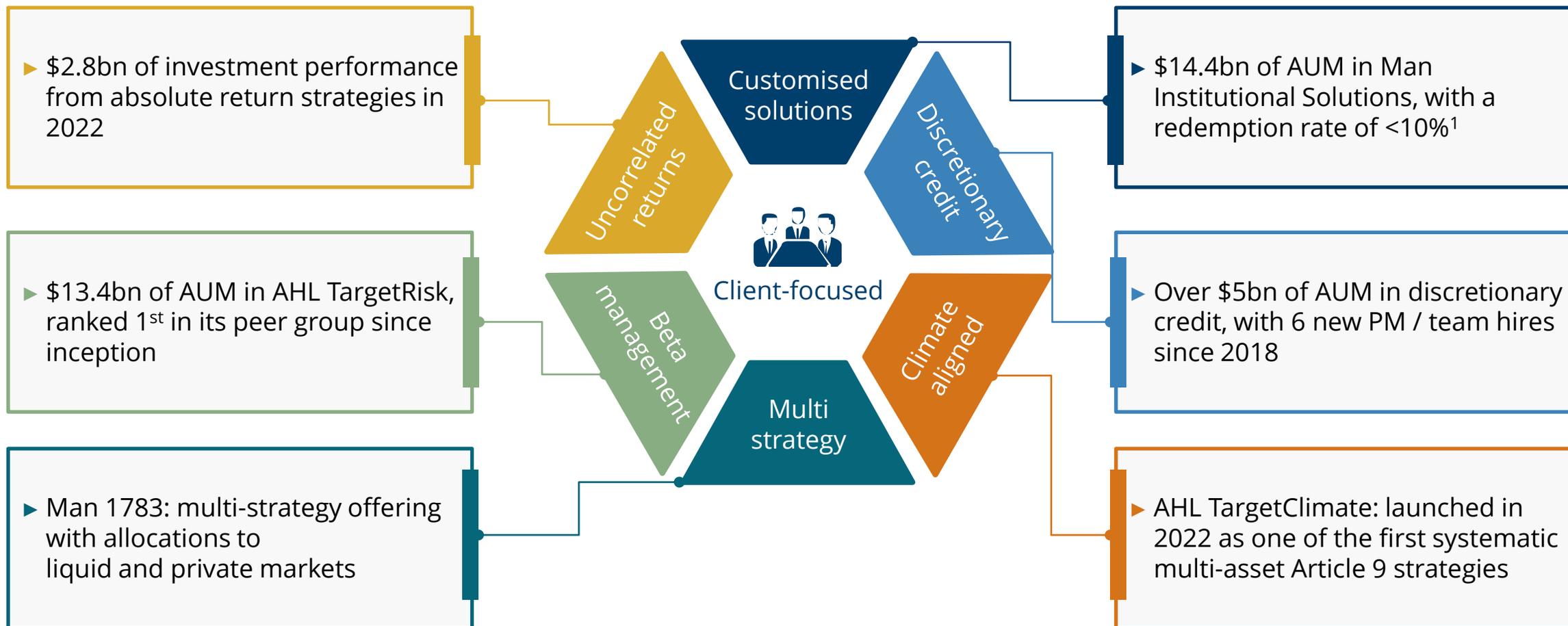
95% of redemptions were partial, with clients requesting the option to reinvest in the future; a number have already returned recently

1. Represented c.50% of our assets under management from UK defined benefit pension scheme clients

2. As at 30 September 2022

Past performance is not an indication of future performance

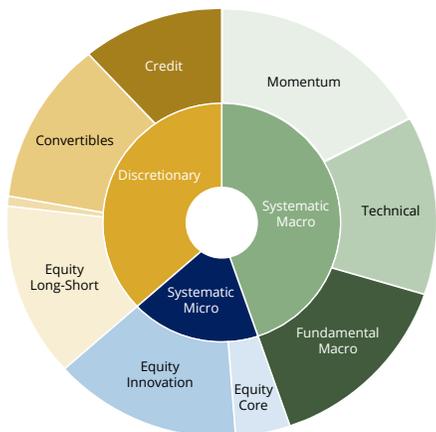
Investment strategies to meet evolving client requirements



1. Mean redemption rate between 2018 and 2022

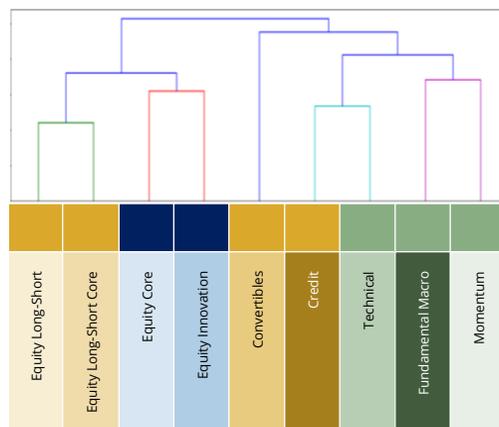
Man 1783: optimising the best of systematic and discretionary

One access point to all our alternative investment strategies



Extensive universe of systematic and discretionary strategies

Uses established portfolio construction techniques



Risk-based allocations to nine strategy buckets target optimal diversification

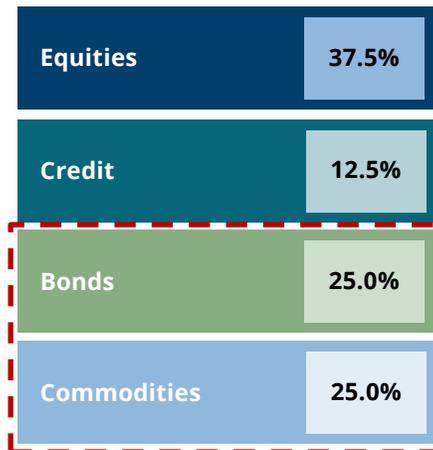
Aims to perform in a broad range of market conditions

	Man 1783 Strategy	Hedge Funds	Managed Futures	World Stocks	World Bonds
World Bonds	Blue	Light Blue	Blue	White	Red
World Stocks	Blue	Red	Blue	Red	White
Managed Futures	Light Blue	Light Blue	Red	White	White
Hedge Funds	Light Blue	Red	White	White	White
Man 1783 Strategy	Red	White	White	White	White

Low correlation between strategies, behaving differently during tail events

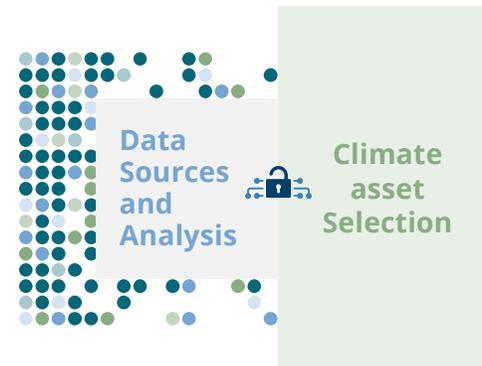
AHL TargetClimate: aligned with the global transition to a low-carbon economy

Multi-asset approach



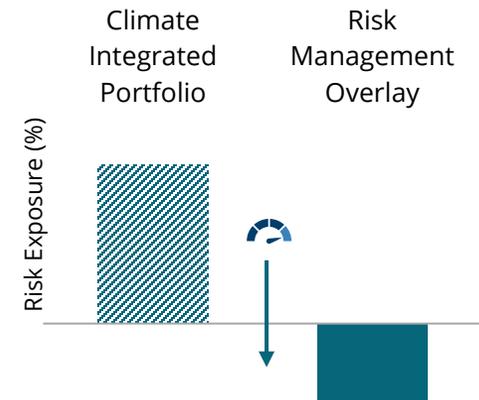
Expands climate considerations beyond corporate assets

Data-driven security selection



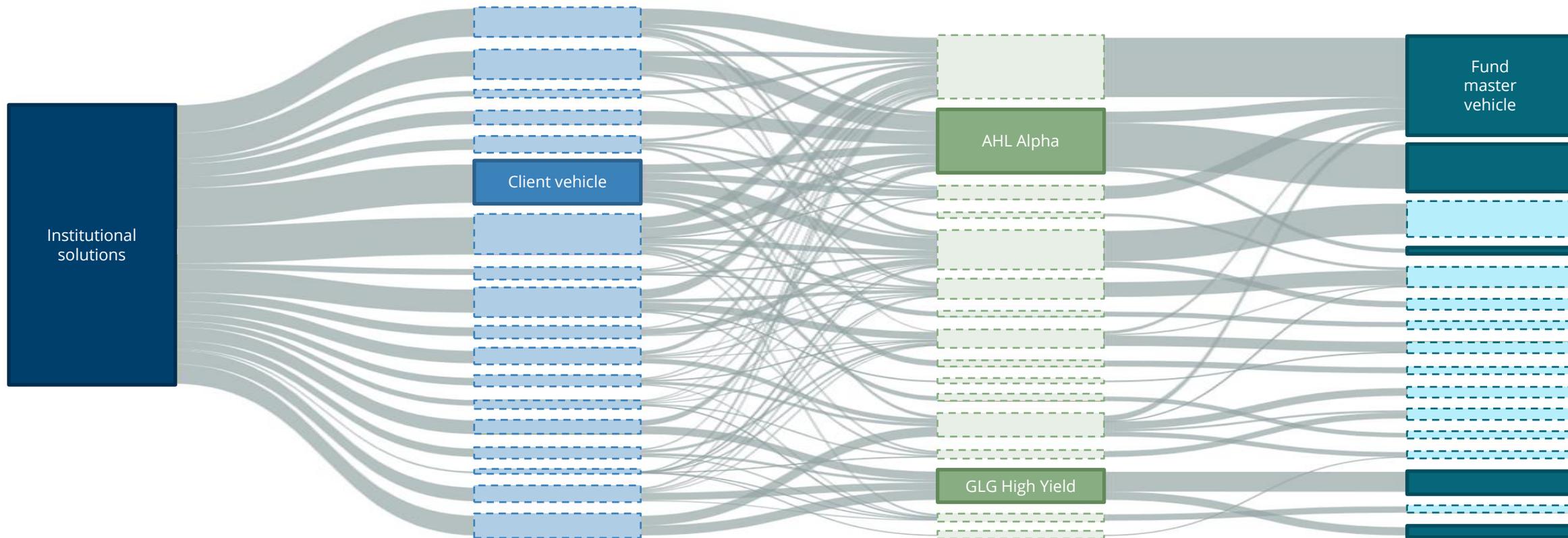
Leverages 35+ years quant experience and central data science / RI resources

Active risk management



Applies our proprietary risk management overlays

Institutional Solutions: designed to suit unique investment objectives



Client driven: access to new pools of capital and sophisticated clients across the world

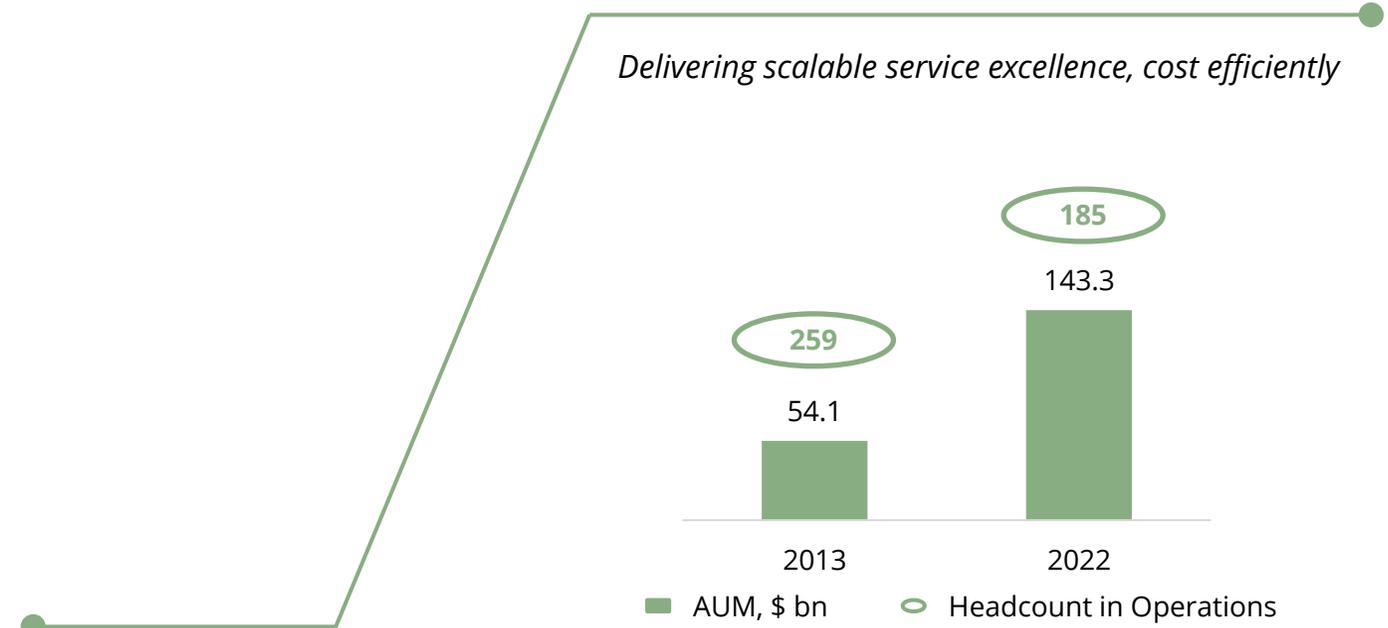
Customised: the tailored nature increases the longevity of the relationship

Cross-content: using systematic and discretionary investment capabilities from across the firm

Efficient: aligned economics from tailored fees and greater cash efficiency

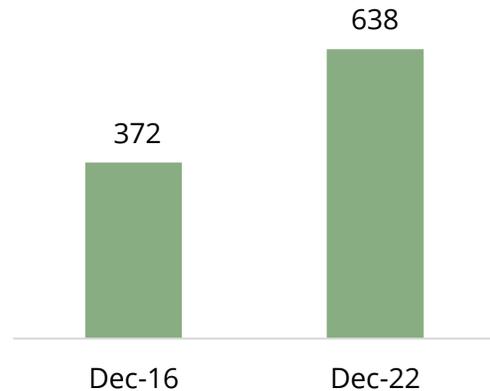
A central platform that enables scale, customisation and efficiency

- Scale**
 - \$6 trillion notional traded
 - Processes and acts rapidly on huge volumes of data
- Complexity**
 - 800+ markets traded
 - Identifies new sources of alpha to drive outperformance
- Flexibility**
 - 60+ funds and solutions launched
 - Delivers customisation to meet individual client needs
- Efficiency**
 - ~20 million trades processed
 - Improves processes and drives operating leverage in the business



Technology helps to sustain our performance at scale

Technology has been *our major investment across the business* for the past few years



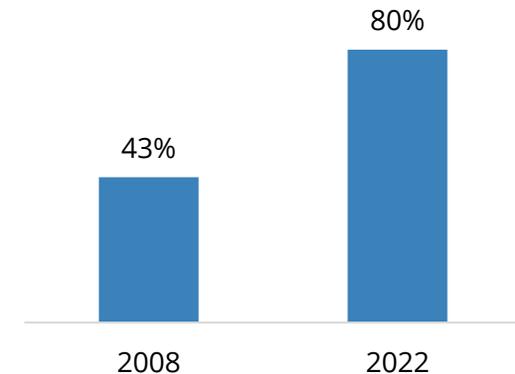
Total headcount in quant / tech (2016 – 2022)

Clients, other firms and technologists *recognise the quality of our technology*



ArcticDB will add key functionality to Bloomberg's platform

The top end of the industry is *increasingly dominated by quant / tech enabled firms*



% of top 10 hedge fund AUM managed by quant / tech enabled firms¹

1. Source: Institutional Investor and Pensions and Investments Top 10 hedge fund manager rankings, Man Group analysis

2022 results illustrate the strengths of our business

We are a global leader in liquid alternatives and solutions

We offer a compelling range of investment strategies

We have a scalable platform powered by talent and technology

\$95.0bn

AUM from alternatives (Dec-22)

250+

New clients (2018-2022)

600+

Quants and technologists

\$2.9bn

Alpha generated in 2022

\$41.1bn

Gross inflows in 2022

46%

Core PBT margin, vs. 44% in 2021

\$983m of unrestricted net financial assets to drive future growth

Well-positioned to deliver growth in 2023 and beyond

Another period of strong earnings growth drives confidence in our strategy

2022 demonstrated the value that liquid alternatives can bring to portfolios

Deep and longstanding relationships with global institutions and distributors

Track record of generating uncorrelated returns in a liquid, highly customisable format

High conviction in our ability to continue to deliver for our clients and shareholders

Q&A

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



- Karan Shirgaokar (Head of Investor Relations)



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