

Embargoed until 0700 hours, Wednesday 25 November 2020

**LIONTRUST ASSET MANAGEMENT PLC
HALF YEARLY REPORT FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2020**

Liontrust Asset Management Plc (“**Liontrust**”, the “**Company**”, or the “**Group**”), the independent fund management group, today announces its Half Yearly Report for the six months ended 30 September 2020.

Results:

- Adjusted profit before tax¹ of £22.3 million (2019: £17.0 million), an increase of 31% compared to the equivalent period last year
- Profit before tax of £6.9 million (2019: £9.3 million), a decrease of 26% compared to the equivalent period last year. This includes costs of £15.4 million (2019: £7.7 million) relating to acquisition related and associated restructuring costs; the amortisation of the related intangible assets and other non-cash and non-recurring costs (see note 6 below)
- Gross profit of £63 million (2019: £46 million), an increase of 37% compared to the equivalent period last year

Dividend:

- First Interim dividend per share of 11.0 pence (2019: 9.0 pence), which will be payable on 8 January 2021, the shares going ex-dividend on 3 December 2020, an increase of 22% compared to the equivalent payment last year.

Assets under management and advice:

- On 30 September 2020, assets under management and advice (“**AuMA**”) were £20.6 billion, an increase of 28% since the start of the financial year and 41% compared to AuMA on 30 September 2019
- The acquisition of the Architas UK Investment Business completed on 30 October 2020 adding £5.6 billion to AuMA
- AuMA as at close of business on 20 November 2020 were £28.1 billion, which includes AuMA related to the acquisition of the Architas UK Investment Business

¹ This is an Alternative Performance Measure, see note 2 below.

Inflows:

- Net inflows for the six months ended 30 September 2020 of £1,748 million (2019: £1,367 million), an increase of 28% compared to the equivalent period last year

Commenting on the results, John Ions, Chief Executive, said:

“I am delighted the momentum of the strong first quarter has continued through the half year.

It has been a challenging period for everyone. Covid-19 continues to affect all parts of the economic and social fabric of the country and its effects will be felt for many years to come. I have said before that the asset management industry has a vital role to play in this recovery, from the provision of capital that enables companies and the economy to grow to the equally important role as guardians of people's savings to enable them to lead a better future.

It is a testament to the quality of people at Liontrust, the processes we have in place and our ability to deliver for clients that we have been able to continue to generate such large inflows. The scale of the achievement is shown by Liontrust continuing to appear in the top 10 for retail sales in the UK. According to the Pridham Report, Liontrust had the 6th highest net retail sales in the UK and the 8th highest gross retail sales in the UK in the third quarter of 2020.

Active fund management can continue to benefit investors by meeting their expectations. The Liontrust Economic Advantage team have been doing this for more than 20 years through their robust and repeatable investment process, which is evidenced by long-term fund performance.

Over the last 10 years, the Liontrust Special Situations Fund has outperformed the FTSE All Share by 6.88% on an annualised basis and the Liontrust UK Smaller Companies Fund has outperformed the FTSE Small Cap ex ITs Index by 8.76%².

Active managers have the opportunity to add value through sustainable investment if they avoid greenwashing. At the heart of any successful business are its clients, and ours are clearly telling us they want their money to have a positive impact on society and the world at large. To ensure Liontrust delivers this, we are committed to pushing forward our levels of engagement to produce the best possible outcomes for investors.

Over the past 10 years, the Liontrust SF UK Growth Fund has outperformed the MSCI UK by 5.64% on an annualised basis and the Liontrust SF Global Growth Fund has outperformed the MSCI World by 2.32%².

This success is reflected in the independent recognition of Liontrust and our investment teams. Harriet Parker was named ESG Fund Manager of the Year at the Women in Finance Awards on 12 November 2020. On the same day, Liontrust won three categories at the FTAdviser Investment Club Awards: Small to Mid Investment Group of the year, UK Smaller Companies Fund of the year (Liontrust UK Smaller Companies Fund) and Mixed Asset Fund of the year (Liontrust SF Managed Growth Fund).

Sustainable investment is also providing asset managers with the opportunity to connect with investors because of the strength of the emotional interest in delivering a healthier, cleaner and safer world that has been heightened by the pandemic.

The strength of the Liontrust brand, client relationships and communications have helped grow the AuMA of the Sustainable Investment team and ensure strong positive inflows for Liontrust as a whole in 2020. We continually strive to ensure clients receive the best possible service, and for this reason we are increasing our spend on our digital capability.

On 30 October, we completed the acquisition of the Architas UK Investment Business, adding £5.6 billion of AuMA, creating a significant multi-asset multi-manager proposition and substantially enhancing our distribution potential and service to financial advisers. We have successfully integrated the investment team, funds and the rest of the team into Liontrust, ensuring as seamless a transition as possible for clients.

This acquisition, the greater diversification it gives us and the progress we have made this year mean Liontrust is well positioned to maintain our growth and have a positive impact on our investors, shareholders and the wider society.”

² Source: Financial Express to 30 September 2020 as at 19 November 2020, bid-bid, total return, net of fees, based on primary share classes.

For further information please contact:

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John Ions

Vinay Abrol

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N+1 Singer Advisory LLP (Tel: 020 7496 3000)

Corporate Broking– Tom Salvesen

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Corporate Advisory: Stephen Howard

Corporate Broking: Charles Leigh-Pemberton

Chairman’s Statement

I am proud of how well your Company has responded to the ongoing challenges posed by Covid-19 and the actions taken to try to defeat the virus. The Company and all employees reacted and adapted quickly to the pandemic and working from home.

Liontrust has continued to operate efficiently and productively with no disruption for investors, with your Company generating strong net positive flows of £1.75 billion in the six months to 30 September. This has been achieved without the usual face-to-face interaction with colleagues, clients and companies that is so important to the normal functioning of asset management.

The Board has been very impressed with what the business and everyone working at Liontrust has accomplished during the first lockdown and subsequently. The investment processes have been truly tested and have shown their robustness.

This is a credit to your management, the business processes in place and the culture of Liontrust. Key decisions have continued to be made and implemented, ensuring that Liontrust will come out of the Covid-19 pandemic in a strong position.

These decisions include the acquisition of the Architas UK Investment Business, which was successfully completed on 30 October 2020. Acquiring and integrating a new business is challenging at the best of times but especially so and impressive during a global pandemic. The Board thanks everyone for their hard work, dedication and professionalism in completing this purchase.

The addition of the Architas UK Investment Business is part of Liontrust’s strategic objective of expanding distribution and product and of acquiring talent. This acquisition will significantly increase our presence among financial advisers and enable us to enhance further our service levels.

Liontrust also announced after the reporting period the sale of the Asia team to Somerset Capital Management LLP and closing the European Income and Macro Thematic investment teams. The

decision was part of a review of our fund ranges and an evaluation of where best to allocate our resources and we are proposing to merge the funds of the European Income and Macro Thematic teams with funds managed by the Cashflow Solution, Economic Advantage and Global Equity teams.

Our six fund management teams are providing investors with strong long-term performance and they have the scale and are investing in asset classes that will enable them to grow their AuMA. They are aided in this by excellent sales and marketing, robust operations and moving to a single administration platform across our fund ranges.

Next month we will be issuing Liontrust's first Assessment of Value Report which evaluates whether our funds are delivering value to our investors. This has been an important and beneficial process for Liontrust to go through, including asking for the views of our clients, and we believe this will be informative and useful for our investors.

It is for these reasons that I have confidence in Liontrust withstanding the current challenges and continuing to deliver for investors and to expand the business.

Results

Liontrust has delivered profit before tax of £6.874 million (2019: £9.303 million), a decrease of 26% compared to the equivalent period last year.

The adjusted profit before tax was £22.296 million (2019: £17.017 million), an increase of 31%. Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group excluding non-cash expenses (depreciation and intangible asset amortisation) and non-recurring (acquisition related and associated restructuring, share incentivisation and severance compensation related) expenses.

See note 6 below for a reconciliation of adjusted profit (or loss) before tax.

Dividend

In accordance with the Company's dividend policy, and to create more balance between the First and Second Interim dividends, the Board is declaring a First Interim dividend of 11.0 pence per share (2019: 9.0 pence), an increase of 22%, which will be payable on 8 January 2020 to shareholders who are on the register as at 4 December 2020, the shares going ex-dividend on 3 December 2020.

The Company has a Dividend Reinvestment Plan ("**DRIP**") that allows shareholders to reinvest dividends to purchase additional shares in the Company. For shareholders to apply the proceeds of this and future dividends to the DRIP, application forms must be received by the Company's Registrars by no later than 18 December 2020. Existing participants in the DRIP will automatically have the dividend reinvested. Details on the DRIP can be obtained from Link Asset Services on 0371 664 0381 or at www.signalshares.com. (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales).

Assets under management and advice

On 30 September 2020, our AuMA stood at £20,598 million³ and were broken down by type and process as follows:

| <u>Process</u> | <u>Total</u> | <u>Institutional</u> | <u>UK Retail</u> | <u>Multi-Asset</u> | <u>Offshore Funds</u> |
|--|---------------|----------------------|------------------|--------------------|-----------------------|
| | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> |
| Economic Advantage | 7,856 | 252 | 7,408 | - | 196 |
| Sustainable Investment | 7,466 | 45 | 6,914 | - | 507 |
| Global Equity | 2,491 | 195 | 2,296 | - | - |
| Cashflow Solution | 1,067 | 678 | 338 | - | 51 |
| Multi-Asset | 963 | - | - | 963 | - |
| Global Fixed Income | 755 | - | 332 | - | 423 |
| Total – 30 September 2020 | 20,598 | 1,170 | 17,288 | 963 | 1,177 |
| Architas UK Investment Business ⁴ | 5,617 | - | 4,855 | 762 | - |
| Total including Architas UK Investment Business | 26,215 | 1,170 | 22,143 | 1,725 | 1,177 |

On 20 November 2020, our AuMA was £28,060 million⁴.

³ Asia Income team AuMA is excluded as the investment team and funds are in the process of being transferred to Somerset Capital Management LLP or being closed. AuMA for the European Income team is included in the Cashflow Solution investment team AuMA and the Macro Thematic team AuMA is included in the Global Equity investment team and Economic Advantage investment team AuMA.

⁴ The acquisition of the Architas UK Investment Business completed on 30 October 2020 adding £5,617 million to AuMA.

Inflows

The net inflows over the six months to 30 September 2020 are £1,748 million (2019: £1,367 million). A reconciliation of fund flows and AuMA over the six months to 30 September 2020 is as follows:

| | <u>Total</u> | <u>Institutional</u> | <u>UK Retail</u> | <u>Multi-Asset</u> | <u>Offshore Funds</u> |
|---|---------------|----------------------|------------------|--------------------|-----------------------|
| | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> |
| Opening AuMA - 1 April 2020 | 16,078 | 988 | 13,275 | 840 | 975 |
| Net flows | 1,748 | 50 | 1,607 | 28 | 63 |
| Market and Investment performance | 2,869 | 132 | 2,488 | 95 | 154 |
| Acquisition/(Disposal) of AuMA ⁵ | (97) | - | (82) | - | (15) |
| Closing AuMA - 30 September 2020 | 20,598 | 1,170 | 17,288 | 963 | 1,177 |

⁵ The sale of the Asia Income investment team was announced on 2 October 2020 and is expected to complete in the first quarter of 2021.

UK Retail Fund Performance (Quartile ranking)

| | <u>Quartile ranking – Since Launch/Manager Appointed</u> | <u>Quartile ranking - 5 year</u> | <u>Quartile ranking - 3 year</u> | <u>Quartile ranking - 1 year</u> | <u>Launch Date/ Manager Appointed</u> |
|---------------------------------|--|----------------------------------|----------------------------------|----------------------------------|---------------------------------------|
| Economic Advantage funds | | | | | |
| Liontrust UK Growth Fund | 1 | 1 | 1 | 2 | 25/03/2009 |

| | | | | | |
|---|---|---|---|---|------------|
| Liontrust Special Situations Fund | 1 | 1 | 1 | 1 | 10/11/2005 |
| Liontrust UK Smaller Companies Fund | 1 | 1 | 1 | 1 | 08/01/1998 |
| Liontrust UK Micro Cap Fund | 1 | - | 1 | 1 | 09/03/2016 |
| Sustainable Future funds | | | | | |
| Liontrust Monthly Income Bond Fund | 2 | 2 | 4 | 3 | 12/07/2010 |
| Liontrust SF Managed Growth Fund | 1 | 1 | 1 | 1 | 19/02/2001 |
| Liontrust SF Corporate Bond Fund | 1 | 2 | 3 | 2 | 20/08/2012 |
| Liontrust SF Cautious Managed Fund | 1 | 1 | 1 | 1 | 23/07/2014 |
| Liontrust SF Defensive Managed Fund | 1 | 1 | 1 | 1 | 23/07/2014 |
| Liontrust SF European Growth Fund | 1 | 1 | 1 | 1 | 19/02/2001 |
| Liontrust SF Global Growth Fund | 3 | 1 | 1 | 1 | 19/02/2001 |
| Liontrust SF Managed Fund | 1 | 1 | 1 | 1 | 19/02/2001 |
| Liontrust UK Ethical Fund | 2 | 1 | 1 | 1 | 01/12/2000 |
| Liontrust SF UK Growth Fund | 2 | 1 | 1 | 1 | 19/02/2001 |
| Global Equity funds⁶ | | | | | |
| Liontrust Balanced Fund | 1 | 1 | 1 | 1 | 31/12/1998 |
| Liontrust China Fund | 4 | 4 | 3 | 3 | 31/12/2004 |
| Liontrust Emerging Market Fund | 3 | 2 | 3 | 3 | 30/09/2008 |
| Liontrust European Opportunities Fund | 2 | 4 | 4 | 4 | 29/11/2002 |
| Liontrust Global Smaller Companies Fund | 1 | 1 | 1 | 1 | 01/07/2016 |
| Liontrust Global Alpha Fund | 1 | 1 | 1 | 1 | 31/12/2001 |
| Liontrust Global Dividend Fund | 2 | 2 | 1 | 1 | 20/12/2012 |
| Liontrust Global Equity Fund | 1 | 1 | 1 | 1 | 31/12/2001 |
| Liontrust Global Technology Fund | 2 | - | 1 | 2 | 15/12/2015 |
| Liontrust Income Fund | 1 | 1 | 1 | 1 | 31/12/2002 |
| Liontrust Japan Equity Fund | 3 | 2 | 3 | 2 | 22/06/2015 |
| Liontrust Japan Opportunities Fund | 1 | 4 | 4 | 4 | 30/09/2002 |

| | | | | | |
|---------------------------------|---|---|---|---|------------|
| Liontrust US Income Fund | 4 | 3 | 4 | 4 | 30/09/2010 |
| Liontrust US Opportunities Fund | 1 | 2 | 1 | 1 | 31/12/2002 |
| Cashflow Solution funds | | | | | |
| Liontrust European Growth Fund | 1 | 2 | 3 | 2 | 15/11/2006 |
| Liontrust Global Income Fund | 4 | 4 | 4 | 4 | 03/07/2013 |

Source: Financial Express to 30 September 2020 as at 20 November 2020, bid-bid, total return, net of fees, based on primary share classes. The Liontrust UK Mid Cap Fund, Liontrust UK Opportunities Fund, Liontrust Asia Income Fund and funds previously managed by the European Income and Macro Thematic investment teams are excluded. Past performance is not a guide to future performance, investments can result in total loss of capital. The above funds are all UK authorised unit trusts or UK authorised ICVCs (primary share class).

⁶Liontrust Latin America Fund, Liontrust Russia Fund and Liontrust India Fund are not included as they are in IA sectors that are not rankable (e.g. Specialist and Unclassified) as it would not be a fair comparison to make.

Outlook

Liontrust's focus on robust investment processes and building performance, a business, a brand and client relationships for the long term have proved their value during this year's crisis. This gives Liontrust resilience and the ability to continue to grow in the future.

Alastair Barbour

Non-executive Chairman

Consolidated Statement of Comprehensive Income Six months ended 30 September 2020

| | | Six months to 30-Sep-20 (unaudited) | Six months to 30-Sep-19 (unaudited) | Year ended 31-Mar-20 (audited) |
|---------------------------------------|--------------|--|--|---|
| | <i>Notes</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Revenue | 4 | 75,780 | 53,098 | 124,025 |
| Cost of sales | 4 | (12,724) | (7,167) | (17,393) |
| Gross profit | | 63,056 | 45,931 | 106,632 |
| Unrealised profit on financial assets | | 316 | 251 | (283) |
| Administration expenses | 5 | (56,436) | (36,873) | (89,711) |
| Operating profit | | 6,936 | 9,309 | 16,638 |
| Interest receivable | | 4 | 6 | 18 |
| Interest payable | | (66) | (12) | (148) |
| Profit before tax | | 6,874 | 9,303 | 16,508 |
| Taxation | 7 | (1,588) | (1,727) | (3,544) |
| Profit for the period | | 5,286 | 7,576 | 12,964 |
| Other comprehensive income | | - | - | - |

| | | | | |
|-----------------------------------|---|--------------|--------------|---------------|
| Total comprehensive income | | 5,286 | 7,576 | 12,964 |
| | | <i>Pence</i> | <i>Pence</i> | <i>Pence</i> |
| Basic earnings per share | 8 | 9.21 | 15.02 | 24.68 |
| Diluted earnings per share | 8 | 9.00 | 14.51 | 23.87 |

Consolidated Balance Sheet
As at 30 September 2020

| | <i>Notes</i> | 30-Sep-20 (unaudited) <i>£'000</i> | 30-Sep-19 (unaudited) <i>£'000</i> | 31-Mar-20 (audited) <i>£'000</i> |
|--------------------------------------|--------------|--|--|--|
| Assets | | | | |
| Non current assets | | | | |
| Intangible assets | 9 | 36,565 | 10,497 | 37,922 |
| Goodwill | | 19,626 | 11,872 | 19,626 |
| Property, plant and equipment | | 6,875 | 1,830 | 7,850 |
| | | 63,066 | 24,199 | 65,398 |
| Current assets | | | | |
| Trade and other receivables | | 186,119 | 117,518 | 175,532 |
| Financial assets | 10 | 1,859 | 3,264 | 2,817 |
| Cash and cash equivalents | | 98,602 | 27,769 | 40,294 |
| Total current assets | | 286,580 | 148,551 | 218,643 |
| Liabilities | | | | |
| Non current liabilities | | | | |
| Deferred tax liabilities | | (6,197) | (1,508) | (6,440) |
| Lease liability | | (6,668) | (2,066) | (5,769) |
| Total non current liabilities | | (12,865) | (3,574) | (12,209) |
| Current liabilities | | | | |
| Trade and other payables | | (190,312) | (115,584) | (181,693) |
| DVBAP liability | | (367) | (374) | (845) |
| Corporation tax payable | | (1,314) | - | (734) |
| Total current liabilities | | (191,993) | (115,958) | (183,272) |
| Net current assets | | 94,587 | 32,593 | 35,371 |
| Net assets | | 144,788 | 53,218 | 88,560 |
| Shareholders' equity | | | | |
| Ordinary shares | | 606 | 509 | 555 |
| Share premium | | 121,809 | 19,745 | 57,439 |
| Capital redemption reserve | | 19 | 19 | 19 |
| Retained earnings | | 27,544 | 36,491 | 36,409 |
| Own shares held | | (5,190) | (3,546) | (5,862) |
| Total equity | | 144,788 | 53,218 | 88,560 |

Consolidated Cash Flow Statement
Six months ended 30 September 2020

| | Six months to 30-Sep-20 (unaudited) £'000 | Six months to 30-Sep-19 (unaudited) £'000 | Year ended 31-Mar-20 (audited) £'000 |
|---|---|---|--|
| Cash flows from operating activities | | | |
| Cash inflow from operations | 74,765 | 63,627 | 96,359 |
| Cash outflow from operations | (71,090) | (62,941) | (79,019) |
| Cash inflow from changes in unit trust receivables and payables | 2,357 | 576 | 1,561 |
| Net cash from operations | 6,032 | 1,262 | 18,901 |
| Interest received | 4 | 6 | 18 |
| Tax paid | (1,316) | - | - |
| Net cash from operating activities | 4,720 | 1,268 | 18,919 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | (99) | - | (174) |
| Cash acquired from acquisition of Neptune | - | - | 3,661 |
| Purchase of financial assets | - | (1,362) | (1,362) |
| Sale of financial assets | 1,334 | 1,333 | 1,333 |
| Purchase of seeding investments | (47) | (50) | (169) |
| Sale of seeding investments | - | 51 | 50 |
| Net cash from/(used in)used in investing activities | 1,188 | (28) | 3,339 |
| Cash flows from financing activities | | | |
| Purchase of own shares | - | (732) | (3,310) |
| Sale of own shares | 672 | 477 | 743 |
| Lease financing costs | - | (228) | - |
| Issue of shares | 66,170 | 1,537 | - |
| Dividends paid | (14,442) | (10,076) | (14,948) |
| Net cash from/(used in) financing activities | 52,400 | (9,022) | (17,515) |
| Net increase/(decrease) in cash and cash equivalents | 58,308 | (7,782) | 4,743 |
| Opening cash and cash equivalents* | 40,294 | 35,551 | 35,551 |
| Closing cash and cash equivalents | 98,602 | 27,769 | 40,294 |

* Cash and cash equivalents consist only of cash balances.

Consolidated Statement of Change in Equity (unaudited) Six months ended 30 September 2020

| | Share capital £ '000 | Share premium £ '000 | Capital redemption £ '000 | Retained earnings £ '000 | Own shares held £ '000 | Total Equity £ '000 |
|--|----------------------------|----------------------------|---------------------------------|--------------------------------|------------------------------|---------------------------|
| Balance at 1 April 2020 brought forward | 555 | 57,439 | 19 | 36,409 | (5,862) | 88,560 |

| | | | | | | |
|---|------------|----------------|-----------|---------------|----------------|----------------|
| Profit for the period | - | - | - | 5,286 | - | 5,286 |
| Total comprehensive income for the period | - | - | - | 5,286 | - | 5,286 |
| Dividends paid | - | - | - | (14,442) | - | (14,442) |
| Shares issued | 51 | 64,370 | - | - | - | 64,421 |
| Sale of own shares | - | - | - | - | 672 | 672 |
| Equity share options issued | - | - | - | 823 | - | 823 |
| Equity share options settled | - | - | - | (532) | - | (532) |
| Balance at 30 September 2020 | 606 | 121,809 | 19 | 27,544 | (5,190) | 144,788 |

Consolidated Statement of Change in Equity (unaudited)
Six months ended 30 September 2019 (Restated)

| | <i>Share capital</i> | <i>Share premium*</i> | <i>Capital redemption</i> | <i>Retained earnings*</i> | <i>Own shares held</i> | <i>Total Equity</i> |
|---|----------------------|-----------------------|---------------------------|---------------------------|------------------------|---------------------|
| | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> |
| Balance at 1 April 2019 brought forward | 507 | 19,745 | 19 | 38,591 | (3,291) | 55,571 |
| Adjustment to opening reserves - IFRS 16 Leases | - | - | - | (716) | - | (716) |
| Revised 1 April 2019 brought forward | 507 | 19,745 | 19 | 37,875 | (3,291) | 54,855 |
| Profit for the period | - | - | - | 7,576 | - | 7,576 |
| Total comprehensive income for the period | - | - | - | 7,576 | - | 7,576 |
| Dividends paid | - | - | - | (10,076) | - | (10,076) |
| Shares issued | 2 | - | - | - | - | 2 |
| Purchase of own shares | - | - | - | - | (255) | (255) |

| | | | | | | |
|---------------------------------------|------------|---------------|-----------|---------------|----------------|---------------|
| Equity share options issued/(settled) | - | - | - | 1,116 | - | 1,116 |
| Balance at 30 September 2019 | 509 | 19,745 | 19 | 36,491 | (3,546) | 53,218 |

* as noted in note 1 v) of the 31 March Annual report, the financial statements were restated to reflect the correct treatment of the settlement of LTIPs

Consolidated Statement of Change in Equity (audited) Year ended 31 March 2020

| | <i>Ordinary shares</i> | <i>Share premium</i> | <i>Capital redemption</i> | <i>Retained earnings</i> | <i>Own shares held</i> | <i>Total Equity</i> |
|---|----------------------------|--------------------------|-------------------------------|------------------------------|--------------------------------|-------------------------|
| | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> |
| Balance at 1 April 2019 brought forward | 507 | 19,745 | 19 | 38,591 | (3,291) | 55,571 |
| Adjustment to opening reserves - IFRS 16 Leases | - | - | - | (218) | - | (218) |
| Revised 1 April 2019 brought forward | 507 | 19,745 | 19 | 38,373 | (3,291) | 55,353 |
| Profit for the year | - | - | - | 12,964 | - | 12,964 |
| Total comprehensive income for the year | - | - | - | 12,964 | - | 12,964 |
| Dividends paid | - | - | - | (14,948) | - | (14,948) |
| Shares issued | 48 | 37,694 | - | - | - | 37,742 |
| (Purchase)/sale of own shares | - | - | - | - | (2,652) | (2,652) |
| EBT share option settlement | - | - | - | - | 81 | 81 |
| Share options issued | - | - | - | 1,934 | - | 1,934 |
| Equity share options settled | - | - | - | (1,914) | - | (1,914) |
| Balance at 31 March 2020 | 555 | 57,439 | 19 | 36,409 | (5,862) | 88,560 |

Notes to the Financial Statements

1. Principal accounting policies

This Half Yearly Report is unaudited and does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. The financial information for the half years ended 30 September 2020 and 2019 has not been audited or reviewed by the auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information. The statutory accounts for the year ended 31 March 2020, which were prepared in accordance with International Financial Reporting Standards, comprising standards and interpretations approved by either the International Accounting Standards Board or the International Financial Reporting Interpretations Committee or their predecessors, as adopted by the European Union ("IFRS"), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, have been delivered to the Registrar of Companies. The auditors' opinion on these accounts was unqualified and did not contain a statement made under s498 of the Companies Act 2006.

The financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Sourcebook and with IAS 34 'Interim Financial Reporting'.

The accounting policies applied in this Half Yearly Report are consistent with those applied in the Group's most recent annual accounts

2. Alternative Performance Measures

The Group assess its performance using a variety of measures that are not defined under IFRS and are therefore termed alternative performance measures ("APM's").

The Group uses the APM's to present its financial performance, in a manner which is aligned with the requirements of our stakeholders. By presenting these APM's it enables comparison with our peers who may use different accounting policies.

The Group uses the following APM's:

| Alternative Performance Measure | Definition | Reconciliation |
|--|--|-----------------------|
| Adjusted profit before tax | Profit before taxation, depreciation and amortisation, share incentivisation expenses and non-recurring items (which include: professional fees relating to acquisitions, cost reduction, restructuring and severance compensation related costs). | Note 6 |

This is used to present a measure of profitability of the Group which is aligned to the requirements of shareholders, potential shareholders and financial analysts, and which removes the effects of financing and capital investment, which eases the comparison with the Group's competitors who may use different accounting policies and financing methods. Calculation of Adjusted profit before tax excludes share incentivisation expenses for similar reasons to above, and in particular provides shareholders, potential shareholders and financial analysts a consistent year on year basis of comparison of a "profit before tax number", when comparing the current year to the previous year and also when comparing multiple historical years to the current year, of how the underlying business is performing without the effects of share incentivisation expenses which can be influenced by other factors such as the timing of grants due to prohibited periods, shareholder approval of share incentivisation plans, and other factors.

| | | |
|---------------------------|---|--------|
| Adjusted operating profit | Operating Profit before depreciation and amortisation, share incentivisation expenses and non-recurring items (which include: | Note 6 |
|---------------------------|---|--------|

professional fees relating to acquisitions, cost reduction, restructuring and severance compensation related costs).

This is used to present a measure of profitability of the Group which is aligned to the requirements of shareholders, potential shareholders and financial analysts, and which removes the effects of financing and capital investment, which eases the comparison with the Group's competitors who may use different accounting policies and financing methods. Calculation of Adjusted operating profit before tax excludes share incentivisation expenses for similar reasons to above, and in particular provides shareholders, potential shareholders and financial analysts a consistent year on year basis of comparison of a "operating profit number", when comparing the current year to the previous year and also when comparing multiple historical years to the current year, of how the underlying business is performing without the effects of share incentivisation expenses which can be influenced by other factors such as timing of grants due to prohibited periods, shareholder approval of share incentivisation plans, and other factors.

| | | |
|-------------------------------------|---|--------|
| Revenues excluding performance fees | Gross profit less any revenue attributable to performance related fees. | Note 4 |
|-------------------------------------|---|--------|

This is used to present a consistent year on year measure of revenues within the business, removing the element of revenue that may fluctuate year on year.

| | | |
|-----------------------------------|---|-----|
| Adjusted basic earnings per share | Adjusted profit before tax divided by the weighted average number of shares in issue for the period | n/a |
|-----------------------------------|---|-----|

| | | |
|-------------------------------------|---|-----|
| Adjusted diluted earnings per share | Adjusted profit before tax divided by the diluted weighted average number of shares in issue for the period | n/a |
|-------------------------------------|---|-----|

3. Segmental reporting

The Group's operates in only one business segment - Investment management.

The Group offers different fund products through different distribution channels. All financial, business and strategic decisions are made centrally by the Board, which determines the key performance indicators of the Group. The Group reviews financial information presented at a Group level. The Board, is therefore, the chief operating decision-making body for the Group. The information used to allocate resources and assess performance is reviewed for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

4. Revenue

| | Six months to 30-Sep-20 (unaudited) £'000 | Six months to 30-Sep-19 (unaudited) £'000 | Year ended 31-Mar-20 (audited) £'000 |
|---------------------------|---|---|--------------------------------------|
| Revenue | | | |
| - Revenue | 75,780 | 53,098 | 123,021 |
| - Performance fee revenue | - | - | 1,004 |
| Total Revenue | 75,780 | 53,098 | 124,025 |
| Cost of sales | (12,724) | (7,167) | (17,393) |

| | | | |
|---------------------|---------------|---------------|----------------|
| Gross Profit | 63,056 | 45,931 | 106,632 |
|---------------------|---------------|---------------|----------------|

Revenue from earnings includes:

1. Investment management on unit trusts, open-ended investment companies sub-funds, portfolios and segregated accounts;
2. Performance fees on unit trusts, open-ended investment companies sub-funds, portfolios and segregated accounts;
3. Fixed administration fees on unit trusts and open-ended investment companies sub-funds;
4. Net value of sales and repurchases of units in unit trusts and shares in open-ended investment companies (net of discounts);
5. Net value of liquidations and creations of units in unit trusts and shares in open-ended investment companies sub-funds;
6. Box profits on unit trusts; and
7. Foreign currency gains and losses.

Cost of sales includes:

1. Operating expenses including (but not limited to) keeping a record of investor holdings, paying income, sending annual and interim reports, valuing fund assets and calculating prices, maintaining fund accounting records, depositary and trustee oversight and auditors;
2. Rebates paid on investment management fees;
3. Sales commission paid or payable; and
4. External investment advisory fees paid or payable.

5. Administration expenses

| | Six months to 30-Sep-20 (unaudited) | Six months to 30-Sep-19 (unaudited) | Year ended 31-Mar-20 (audited) |
|---|--|--|---|
| | £'000 | £'000 | £'000 |
| Employee related expenses | | | |
| Director and employee costs | 11,710 | 5,695 | 14,047 |
| Pension costs | 656 | 310 | 866 |
| Share incentivisation expense | 2,049 | 4,194 | 3,725 |
| DBVAP expense | 856 | 702 | 1,335 |
| Severance compensation | 214 | - | 1,886 |
| | 15,485 | 10,901 | 21,859 |
| Non employee related expenses | | | |
| Members' drawings charged as an expense | 16,387 | 14,029 | 31,993 |
| Members' share incentivisation expense | 1,045 | 348 | 1,126 |
| Professional services ⁽¹⁾ | 10,047 | 1,540 | 8,437 |
| Depreciation and Intangible asset amortisation ⁽²⁾ | 2,429 | 1,424 | 5,392 |
| IFRS16 related finance costs | - | (240) | - |
| Other administration expenses | 11,043 | 8,871 | 20,904 |
| Total administration expenses | 56,436 | 36,873 | 89,711 |

(1) Includes costs relating to the re organisation of Neptune outsourced transfer agency administration and acquisition costs related to the purchase of the Architas UK Investment Business.

(2) Includes Fixed asset depreciation, depreciation on leases under IFRS16 and amortisation of intangible assets

6. Adjusted profit before tax

Adjusted profit before tax is reconciled in the table below:

| | Six months to 30-Sep-20 (unaudited) | Six months to 30-Sep-19 (unaudited) | Year ended 31-Mar-20 (audited) |
|---|--|--|---|
| | £'000 | £'000 | £'000 |
| Profit for the period | 5,286 | 7,576 | 12,964 |
| Taxation | 1,588 | 1,727 | 3,544 |
| Profit before tax | 6,874 | 9,303 | 16,508 |
| Share incentivisation expense | 3,094 | 4,542 | 4,851 |
| DBVAP expense net of gain or loss | 540 | 452 | 1,551 |
| Severance compensation | 214 | - | 2,296 |
| Professional services ⁽¹⁾ | 10,047 | 1,540 | 8,436 |
| IFRS 16 finance costs | (902) | (240) | (980) |
| Depreciation and Intangible asset amortisation ⁽²⁾ | 2,429 | 1,424 | 5,392 |
| Adjustments | 15,422 | 7,718 | 21,546 |
| Adjusted profit before tax | 22,296 | 17,021 | 38,054 |
| Interest receivable | (4) | (6) | (18) |
| Interest payable ⁽²⁾ | - | 12 | - |
| Adjusted operating profit | 22,292 | 17,027 | 38,036 |
| Adjusted basic earnings per share | 31.46 | 27.34 | 58.68 |
| Adjusted diluted earnings per share | 30.74 | 26.41 | 56.74 |

(1) Includes costs relating to the re organisation of Neptune outsourced transfer agency administration and acquisition costs related to the purchase of the Architas UK Investment Business.

(2) Includes Fixed asset depreciation, depreciation on leases under IFRS16 and amortisation of intangible assets

7. Taxation

The half yearly tax charge has been calculated at the estimated full year effective UK corporation tax rate of 19% (2019: 19%).

8. Earnings per share

The calculation of basic earnings per share is based on profit after taxation and the weighted average number of Ordinary Shares in issue for each period. The weighted average number of Ordinary Shares for the six months ended 30 September 2020 was 57,406,615 (30 September 2019: 50,430,636, 31 March 2020: 52,531,287). Shares held by the Liontrust Asset Management Employee Trust are not eligible for dividends and are treated as cancelled for the purposes of calculating earnings per share.

Diluted earnings per share is calculated on the same bases as set out above, after adjusting the weighted average number of Ordinary Shares for the effect of options to subscribe for new Ordinary Shares that were in existence during the six months ended 30 September 2020. The adjusted weighted average number of Ordinary Shares so calculated for the period was 58,757,394 (30 September 2019: 52,212,068, 31 March 2020: 54,320,477). This is reconciled to the actual weighted number of Ordinary Shares as follows:

30-Sep-20 30-Sep-19 31-Mar-20

| | | | |
|--|------------|------------|------------|
| Weighted average number of Ordinary Shares | 57,406,615 | 50,430,636 | 52,531,287 |
|--|------------|------------|------------|

Weighted average number of dilutive Ordinary shares under option:

| | | | |
|---|------------|------------|------------|
| - to Liontrust Long Term Incentive Plan | 1,323,491 | 1,776,755 | 1,779,742 |
| - to Liontrust Company Share Option Plan | 27,288 | 4,677 | 9,448 |
| Adjusted weighted average number of Ordinary Shares | 58,757,394 | 52,212,068 | 54,320,477 |

9. Intangible assets

Intangible assets represent investment management contracts that have been capitalised upon acquisition and are amortised on a straight-line basis over a period of 10 years or 20 years depending on the type of contracts acquired. The intangible asset on the balance sheet represents investment management contracts as follows:

| | 30-Sep-20 £'000 | 30-Sep-19 £'000 | 31-Mar-20 £'000 |
|--|--------------------|--------------------|--------------------|
| Investment management contracts acquired from Argonaut | - | 1,497 | - |
| Investment management contracts acquired from ATI | 7,800 | 9,000 | 8,400 |
| Investment management contracts acquired from Neptune | 28,765 | - | 29,522 |
| | <u>36,565</u> | <u>10,497</u> | <u>37,922</u> |

10. Financial Assets

The Group holds financial assets that have been categorised within one of three levels using a fair value hierarchy that reflects the significance of the inputs into measuring the fair value. These levels are based on the degree to which the fair value is observable and are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at the balance sheet date all financial assets are categorised as Level 1.

Under IFRS9 all financial assets are categorised as Assets held at fair value through profit and loss. The financial assets consist of units held in the Group's collective investment schemes as part of a 'manager's box (as detailed below), assets held by the EBT in respect of the Liontrust DBVAP and assets held in Liontrust Global Funds plc to assist administration. The holdings are valued on a mid or bid basis.

11. Related party transactions

During the six months to 30 September 2020 the Group received fees from unit trusts and ICVCs under management of £59,466,000 (2019: £41,619,000). Transactions with these funds comprised creations of £3,021,616,000 (2019: £2,106,127,000) and liquidations of £1,405,734,000 (2019: £927,652,000). As at 30 September 2020 the Group owed the unit trusts £175,286,000 (2019:

£103,944,000) in respect of unit trust creations and was owed £165,831,000 (2019: £103,831,000) in respect of unit trust cancellations and fees.

During the six months to 30 September 2020 the Group received fees from offshore funds under management of £3,044,000 (2019: £2,093,000). Transactions with these funds comprised purchases of £0 (2019: £40,000) and sales of £0 (2019: £0). As at 30 September 2020 the Group was owed £546,000 (2019: £365,000) in respect of management fees.

Directors and management can invest in funds managed by the Group on commercial terms that are no more favourable than those available to staff in general.

12. Post balance sheet date event

On 30 October 2020, the Company acquired all of the ordinary shares in Architas Multi-Manager Limited and Architas Advisory Services Limited (together, the "Architas UK Investment Business"), and subsequently renamed Liontrust Multi Asset Limited and Liontrust Advisory Services Limited respectively.

The acquisition completed on 30 October 2020 for consideration of up to £75 million in cash (inclusive of the expected net asset value of the Architas UK Investment Business), funded from the proceeds of a placing of ordinary shares of the Company, which was completed in July 2020 and the Company's cash resources.

At the date of issue of these financial statements, the valuation of the balance sheets is not complete. An updated disclosure, including the valuation of the balances, will be included in the 2021 Annual Report & Financial Statements.

13. Key risks

The Directors have identified the risks and uncertainties that affect the Group's business and believe that they will be substantially the same for the second half of the year as the current risks as identified in the 2019 Annual Report. These can be broken down into risks that are within the management's influence and risks that are outside it.

Risks that are within management's influence include areas such as the expansion of the business, prolonged periods of under-performance, loss of key personnel, human error, poor communication and service leading to reputational damage and fraud.

Risks outside the management's influence include falling markets, a deteriorating UK economy, investment industry price competition and hostile takeovers.

Management monitor all risks to the business, they record how each risk is mitigated and have developed indicators to identify increased risk levels. Management recognise the importance of risk management and view it as an integral part of the management process which is tied into the business model and is described further in the Risk management and internal control section on page 49 of the 2020 Annual Report and Note 2 "Financial risk management" on page 106 of the 2020 Annual Report.

14. Contingent assets and liabilities

The Group can earn performance fees on some of the segregated accounts and funds that it manages. In some cases a proportion of the fee earned is deferred until the next performance fee is payable or offset against future underperformance on that account. As there is no certainty that

such deferred fees will be collectable in future years, the Group's accounting policy is to include performance fees in income only when they become due and collectable and therefore the element (if any) deferred beyond 30 September 2020 has not been recognised in the results for the year.

There were no contingent liabilities.

15. Directors' responsibilities

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the Half Yearly Report herein includes a fair review of the information required by DTR 4.2.7, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and DTR 4.2.8, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last Annual Report and Accounts that could have a material effect on the financial position or performance of the Group in the past six months of the current financial year.

By Order of the Board

John Ions

Chief Executive

Vinay Abrol

Chief Operating Officer and Chief Financial Officer

24 November 2020

Forward Looking Statements

This report contains certain forward-looking statements with respect to the financial condition, results of operations and businesses and plans of the Group. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that have not yet occurred. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this announcement should be construed as a profit forecast.

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