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**For immediate release**

**22 June 2022**

**LIONTRUST ASSET MANAGEMENT PLC  
FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2022**

Liontrust Asset Management Plc ("**Liontrust**", the "**Company**", or the "**Group**"), the independent fund management group, today announces its results for the year ended 31 March 2022.

**Results:**

- Adjusted profit before tax of £96.6 million (2021: £59.0 million<sup>1</sup>), an increase of 64%.
- Adjusted diluted earnings per share of 127.6 pence per share (2021: 80.1 pence per share<sup>1</sup>), an increase of 59%.
- Profit before tax of £79.3 million (2021: £34.9 million), an increase of 127%, see note 5 below for a reconciliation to Adjusted profit before tax.
- Revenues (Gross Profit) of £231 million (2021: £164 million), an increase of 41%, includes £12.6 million of performance fee revenues (2021: £13.7 million)

**Dividend:**

- Second Interim dividend of 50.0 pence per share (2021: 36.0 pence). This brings the total dividend for the financial year ending 31 March 2022 to 72.0 pence per share (2021: 47.0 pence), an increase of 53%.

**Assets under management and advice:**

- On 31 March 2022, assets under management and advice ("**AuMA**") were £33.5 billion (2021: £30.9 billion), an increase of 8.5%. Majedie Asset Management Limited ("**Majedie**") acquisition completed on 1 April 2022 adding £5.2 billion<sup>2</sup> to AuMA, taking Liontrust's pro forma AuMA to £38.7 billion.
- AuMA as at 17 June 2022 were £34,230 million.

<sup>1</sup> Restated, see note 5 below.

<sup>2</sup> As at close of business on 31 March 2022.

**Flows:**

- Net inflows of £2.5 billion in the financial year ended 31 March 2022<sup>3</sup> (2021: £3.5 billion).
- Liontrust had the second highest net retail sales in the UK in 2021, according to the Pridham Report.

<sup>3</sup> Includes outflows of £329 million related to the termination of the investment management agreement for the Verbatim Portfolio Growth Funds ("**Verbatim Funds**") on 21 March 2022.

**Commenting, John Ions, Chief Executive, said:**

“Over the past 13 years, we have successfully grown Liontrust by seeking to deliver discipline and excellence in everything we do and focusing on long-term positive outcomes for our investors. The success of this approach is shown by our strong sales, growth in AuMA and profitability, and a 53% increase in total dividends for the financial year.

These positive outcomes have been achieved through Liontrust’s investment teams, their rigorous and robust processes, and first-class service and communications. While there will always be periods when the investment teams’ funds will underperform indices and peer groups, we have full confidence in the investment expertise and processes at Liontrust that have shown they can help investors reach their investment goals over the long term. The success of the past that was based on focus and discipline is all the more important in the current volatile conditions.

It is understandable that investors’ attention is often on the short term, whether it be reacting to the latest news headlines or recent performance, but we must not lose sight of what we as asset managers are trying to achieve in managing people’s savings for the long term. As active and responsible investors, this means not only seeking to generate strong investment performance but also engagement with the companies we hold to ensure they adopt best practices and reporting to investors on the impact our teams are having through this. Asset managers with a genuine focus on ESG and sustainable investment will have a stronger tailwind.

Liontrust’s approach has gained significant independent recognition over the last few years, including recently for the solutions we are providing financial advisers and their clients. The Liontrust SF Managed funds won the Best ESG Solution for Advisers at the Professional Adviser awards and were highly commended in the Best Multi-Asset Fund: Risk Managed Award.

In June, Liontrust won the Best Active Investment Solution Provider and the Best ESG Investment Solution Provider awards at the Professional Paraplanner Awards. These are in addition to seven of our funds being shortlisted for Investment Week’s Fund Manager of the Year Awards and Liontrust being nominated for Global Group of the Year. The seven fund nominations are spread across five of our investment teams.

Further recognition has come from research by Square Mile, the investment research and consulting company, among financial advisers. Of those asked, 25% of advisers said Liontrust have the best sustainable investment team.

The increased focus on ESG and sustainable investment, including developments such as the Net Zero Asset Managers’ Initiative which we signed in May 2022, will surface the invisible in terms of the various approaches of investors. It will also enable a move from take, make, break to a sustainable future.

We have had success in the institutional market through being appointed by LGPS Central to manage the newly launched Global Sustainable Equities Active Fund, with four local authorities partners investing at launch.

We continue to add value through M&A. On 1 April 2022, we completed the acquisition of Majedie Asset Management, which has broadened our distribution and investment capability. Majedie was appointed manager of one of the oldest investment trusts in 2020, which is testament to the team’s investment strength and provides a presence in this market.

While it has been a more challenging economic background so far this year across the industry for fund flows, Liontrust has continued to perform relatively well with the sixth largest gross retail

sales in the UK in the first quarter of 2022 (Source: Pridham Report). Over the financial year, Liontrust achieved impressive net inflows of £2.5 billion.

Given the uncertainties facing us all, it is key that we have been able to increase significantly face-to-face meetings and events with clients over recent months, and this is enabling enhanced engagement with our investment teams. We are also communicating regularly with investors and are developing our digital marketing capability following the launch of the new Liontrust website in March.

Whatever the challenges ahead for the global economy, our investment excellence, robust processes and high-quality service give me great confidence that over the long term we can continue to deliver positive outcomes for our investors and therefore our shareholders and other stakeholders.”

**For further information please contact:**

**Liontrust Asset Management Plc (Tel: 020 7412 1700, Website: [liontrust.co.uk](https://liontrust.co.uk))**

John Ions: Chief Executive

Vinay Abrol: Chief Financial Officer & Chief Operating Officer

Simon Hildrey: Chief Marketing Officer

David Boyle: Head of Corporate Development

**Singer Capital Markets (Tel: 020 7496 3000)**

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Corporate Finance: Justin McKeegan

**Panmure Gordon (Tel: 020 7886 2500)**

Corporate Broking: Charles Leigh-Pemberton

Corporate Advisory: Dominic Morley

**Chair’s Statement**

**Introduction**

I am delighted to report that Liontrust has performed strongly over the past year, continuing the excellent progress made in previous years.

**Strategic overview**

From a financial perspective, the Group has increased profits before tax, the profitability of the business, earnings and dividends paid to shareholders.

Strategically, Liontrust delivered strong net sales, increased its AuMA and agreed the acquisition of Majedie Asset Management (which completed in April 2022) even while Covid lockdowns were still operational. From an investment perspective, Liontrust has maintained strong long-term fund performance and has also made progress in integrating ESG considerations in the investment thinking of the Group’s teams.

These results demonstrate Liontrust’s strong navigational skills during challenging environments and reflect the Company’s sound positioning for ESG and for future growth.

I am proud of all the work Liontrust has undertaken this year and I would like to thank all colleagues and the Executive Directors for their dedication, hard work and contribution to the ongoing success of the Group.

I also welcome our new colleagues from Majedie to the Liontrust family. They bring great expertise and experience across the business and will help drive the future growth of the Company.

To ensure this continues, Liontrust is focused on providing outstanding service and continuing to provide investment funds rooted in the robust investment processes of its teams. In times of uncertainty, investors know that Liontrust's investment teams are adhering to their well-established processes. These processes aim to deliver a financial return for investors and, in the case of funds managed by the Sustainable Investment team, allocate capital to investments that are helping to solve global problems relating to the environment and society.

Investors expect Liontrust to explain and evidence its processes with regard to ESG and sustainability. This comes hand in hand with greater transparency requirements from EU regulation, which the UK and other regions will be quick to emulate, and the need to take action to avoid the worst impacts of global warming. Liontrust plans to make considerable strides in this space over the next fiscal year. The Group is committed to support the Net Zero Asset Managers' Initiative, to further the integration of ESG considerations into Liontrust's mainstream investment processes, and to link actions to the Group's strategy, internal governance structures and the Executive Directors' remuneration.

This provides a solid platform on which the Group can expand its expertise to ensure that Liontrust's offering in ESG and sustainable investment is fit for purpose for the next decade.

Similarly, investors and stakeholders expect Liontrust to manage its business sustainably. For us, this means abiding by local and regional laws, managing our key exposures well, treating our customers fairly, and continuing to increase our transparency about what we do, how we do it and what impact this has on our funds and our business.

Like other asset managers, the Group aims to be more diverse and inclusive and has taken steps this year to do that, including through hosting a Women's Forum Discussion in celebration of International Women's Day and activities to celebrate Pride Month. We are continually striving to make greater progress in terms of diversity and inclusion and will work to ensure that these factors are linked directly to the Group's strategy and reward. The Group will provide evidence of the impact of this work.

### **Board changes**

We have continued to strengthen the Board with the appointment of three Non-executive Directors over the past year: Rebecca Shelley, Quintin Price and Emma Howard Boyd CBE. They bring a wealth of diverse experience from working in financial services, serving on public company boards and with environmental agencies and the public sector.

Rebecca joined the Board in November 2021 and is Senior Independent Director. Rebecca was Group Communications Director of Tesco Plc and a member of their Executive Committee and later was Group Corporate Affairs Director and a member of the Global Executive Committee of TP ICAP. Rebecca is also a Non-executive Director at Sabre Insurance Group Plc and Hilton Foods Group Plc.

Quintin, who joined the Board in July 2021, has 30 years' experience at a senior level for a number of leading investment companies, including Head of Alpha Strategies and a member of the Global

Executive Committee at BlackRock. Quintin is a Non-executive Director of Aperture Investors LLC, a New York based fund manager, and F&C Investment Trust Plc.

Emma has held a number of non-executive and advisory roles since leaving Jupiter Asset Management as Director, Stewardship, including Chair of the Environment Agency, an ex officio board member of the Department for Environment, Food and Rural Affairs and interim Chair of the Green Finance Institute. Emma's experience will be invaluable as we focus on our responsible and Sustainable investing.

## **Results**

Adjusted profit before tax is £96.556 million (2021: £58.987 million<sup>1</sup>), an increase of 64% compared to last year. Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group excluding non-cash (intangible asset amortisation) expenses and non-recurring (professional fees relating to acquisition, cost reduction, restructuring and severance compensation related) expenses, see note 5 below for a reconciliation of adjusted profit before tax

<sup>1</sup> Restated, see note 5 below.

## **Dividend**

These excellent results have enabled the Board to declare a second interim dividend of 50.0 pence per share (2021: 36.0 pence) bringing the total dividend for the financial year ending 31 March 2022 to 72.0 pence per share (2021: 47.0 pence per share), an increase of 53% compared with last year.

The second interim dividend will be payable on 5 August 2022 to shareholders who are on the register as at 1 July 2022, the shares going ex-dividend on 30 June 2022. Last day for Dividend Reinvestment Plan elections is 15 July 2022.

## **Looking forward**

I am confident that Liontrust will continue to meet all of our strategic objectives given the strength of our investment teams and their processes, the quality of our colleagues and the processes in place across the business.

Alastair Barbour  
**Non-executive Chair**  
**21 June 2022**

## **Chief Executive's Report**

### **Introduction**

Liontrust has enjoyed another successful year of growth as we continued to deliver positive outcomes for investors. Your Company's success has been driven by the ability to generate impressive investment performance over the long term, develop excellent client relationships and service, build a powerful brand, provide regular and relevant communications, and ensure a strong infrastructure for the business.

We generated net inflows of £2.5 billion in the financial year to meet the third pillar of our strategic objectives that is to expand our distribution and products, and in the 2021 calendar year Liontrust

had the second highest net retail sales in the UK and the fifth highest gross retail sales according to the Pridham report.

### **Investment performance**

Liontrust has met the second pillar of our strategic objectives to deliver strong long-term investment performance. Over five years to 31 March 2022, 99.0% of Liontrust's UK-domiciled funds were in the 1st or 2nd quartile of their respective IA (Investment Association) sectors and over three years this percentage was 98.0%<sup>1</sup>.

In January 2022, it was announced that 12 of the Liontrust funds were awarded the 5-Crown rating from FE fundinfo, reiterating the breadth of our investment capability. This has also been demonstrated by the independent recognition Liontrust has received over the past year, with three of the investment teams – Sustainable Investment, Multi-Asset and Global Equity – winning awards while the other teams – Cashflow Solution, Economic Advantage and Global Fixed Income – have all received nominations for fund awards.

Clients demanding a more sustainable outcome from their investments continue to drive strong flows into our Sustainable Future funds, with the team celebrating their 21st anniversary in February 2022. The team's AuMA grew, from £10.24 billion on 31 March 2021 to £13.23 billion a year later, and research shows that professional intermediaries and retail investors still regard Liontrust as having the best sustainable investment team (Source: Research in Finance).

Also in line with the third pillar of our strategy, we have seen growing demand for a broader range of funds over the year, with European Growth and Global Dividend attracting significant interest for example. European Growth, which is managed by the Cashflow Solution team, is in the first quartile of its IA sector over 1, 3 and 5 years, as well as since launch, and offers a complementary investment process to many of its peers<sup>1</sup>.

Liontrust experienced a more challenging period for short-term performance over the last few months of the financial year given the market rotation from quality growth stocks to value companies. This rotation has been exacerbated by rising inflation and subsequent increases in interest rates in the UK and US, with the former partly as a result of supply chain issues caused by the ongoing effects of the pandemic and the war in Ukraine.

In the final quarter of the financial year, Liontrust had net outflows of £0.4 billion, which reflected the negative sentiment among investors generally. The IA reported this as the first quarter of net negative retail flows for the industry since the start of the pandemic in 2020.

The Liontrust investment teams will continue to apply the distinct and robust investment processes that have served them well over the long term. Our teams' investment processes have been performing as we would expect given the market environment, and the fund managers remain confident about the long-term prospects for the companies in their portfolios.

The teams have generally made few changes to the companies they are invested in because of their belief in their long-term business models and the concomitant competitive advantages that support them. They have identified opportunities to add to existing holdings at cheaper valuations and in some cases invest in companies that were previously considered too expensive.

In 2021, Liontrust was named Asset Manager of the Year at the Financial News Awards, the Best Fund Group at the Shares Awards and Global Group of the Year at the Investment Week Fund Manager of the Year Awards. These demonstrate the engagement and recognition that Liontrust

has generated among institutional investors, wealth managers, financial advisers and retail investors.

### **Diversification**

This helps our strategy of diversifying distribution to ensure the continued growth of our AuMA. This diversification will be enhanced further by the acquisition of Majedie Asset Management, which we announced in December 2021 and completed after the end of the financial year on 1 April 2022.

An area that offers us further potential to grow our distribution is continental Europe. In October 2021, we added to our proposition through the launch of the Irish-domiciled Liontrust GF Sustainable Future Multi-Asset Global Fund, which brings a strategy available in the UK for more than 20 years to European investors. Since announcing the proposed acquisition of Majedie, we have seen potential demand for our funds from Europe as well, including the Liontrust GF Tortoise long/short equity Fund.

Liontrust has also made progress in achieving the first pillar of our strategic objectives to be a responsible company and investor. This includes the integration of ESG into the processes of our investment teams, the expansion of engagement and voting, a commitment to signing the Net Zero Asset Managers' initiative, and action to increase diversity and inclusion across the business. While we are pleased with the progress Liontrust is making, we have set ourselves further targets to reach over the next year and beyond.

The fifth pillar of our strategic objectives is to enhance the investor experience. Our new website that went live in March 2022 and wider digital marketing strategy are designed to give clients and investors the information and content they want and in the way they want to consume it while also enhancing their online experiences with Liontrust. The development of our digital marketing will amplify the Liontrust brand and increase awareness of and engagement with the funds and investment teams.

<sup>1</sup> Source: Financial Express, as at 31.03.22, total return, net of fees, income reinvested, based on primary share classes. This excludes the Liontrust Multi-Asset Funds, most of which do not have sector benchmarks, and funds in the IA Specialist sector. These funds make up 78% of Liontrust's total AUMA.

### **Assets under management and advice**

On 31 March 2022, our AuMA stood at £33,548 million and were broken down by type and investment process as follows:

<b><u>Process</u></b>	<b><u>Total</u></b>	<b><u>Institutional<sup>2</sup></u></b>	<b><u>UK Retail</u></b>	<b><u>Multi-Asset</u></b>	<b><u>Offshore</u></b>
	<b><u>(£m)</u></b>	<b><u>(£m)</u></b>	<b><u>(£m)</u></b>	<b><u>(£m)</u></b>	<b><u>(£m)</u></b>
Sustainable Investment	13,227	136	12,187	-	904
Economic Advantage	9,035	455	8,201	-	379
Multi-Asset	6,660	-	-	6,660	-
Global Equity	2,868	167	2,701	-	-
Cashflow Solution	1,094	650	364	-	80
Global Fixed Income	664	-	300	-	364
<b>Total – 31 March 2022</b>	<b>33,548</b>	<b>1,408</b>	<b>23,753</b>	<b>6,660</b>	<b>1,727</b>
Global Fundamental	5,150	3,567	898	-	685
<b>Total inc. Global Fundamental</b>	<b>38,698</b>	<b>4,975</b>	<b>24,651</b>	<b>6,660</b>	<b>2,412</b>

<sup>2</sup> Investment Trust AuMA included in Institutional

## Flows

The net inflows over the financial year to 31 March 2022 were £2,488 million<sup>3</sup> (2021: £3,498 million). A reconciliation of fund flows and AuMA over the financial year to 31 March 2022 is as follows:

	<u>Total</u> <u>(£m)</u>	<u>Institutional</u> <u>(£m)</u>	<u>UK Retail</u> <u>(£m)</u>	<u>Multi-Asset</u> <u>(£m)</u>	<u>Offshore</u> <u>(£m)</u>
<b>Opening AuMA - 1 April 2021</b>	<b>30,929</b>	<b>1,488</b>	<b>20,627</b>	<b>7,139</b>	<b>1,675</b>
Net flows	2,488	(105)	3,025	(541)	109
Market and Investment performance	131	25	101	62	(57)
<b>Closing AuMA - 31 March 2022</b>	<b>33,548</b>	<b>1,408</b>	<b>23,753</b>	<b>6,660</b>	<b>1,727</b>

<sup>3</sup> Includes outflows of £329 million related to the termination of the investment management agreement for the Verbatim Funds on 21 March 2022.

John Ions  
**Chief Executive**  
**21 June 2022**

### **Extract from the 2022 Annual Report and Accounts – Liontrust’s Six principal Strategic objectives**

Pillar 1 - Be a responsible company and investor

Pillar 2 - Deliver strong long-term investment performance

Pillar 3 - Expand distribution and products organically and through acquisitions

Pillar 4 - Acquire and develop talent

Pillar 5 - Enhance the investor experience

Pillar 6 - Ensure strong operations and infrastructure

### **Consolidated Statement of Comprehensive Income for the year ended 31 March 2022**

	Note	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Revenue	3	245,571	175,080
Cost of sales	3	(14,252)	(11,321)
<b>Gross profit</b>		<b>231,319</b>	<b>163,759</b>
Realised profit on sale of financial assets		-	250
Unrealised gain/(loss) on financial assets		26	672



Administration expenses	4	(151,916)	(129,646)
<b>Operating profit</b>		79,429	35,035
Interest receivable		4	7
Interest payable		(142)	(113)
<b>Profit before tax</b>		79,291	34,929
Taxation		(20,088)	(7,257)
<b>Profit for the year</b>		<b>59,203</b>	<b>27,672</b>
<b>Total comprehensive income</b>		<b>59,203</b>	<b>27,672</b>
<b>Earnings per share</b>		<i>Pence</i>	<i>Pence</i>
Basic earnings per share		97.65	47.02
Diluted earnings per share		97.61	46.25

### Consolidated Balance Sheet as at 31 March 2022

	As at 31-Mar-22 £'000	As At 31-Mar-21 £'000
<b>Assets</b>		
<b>Non current assets</b>		
Intangible assets	75,171	84,812
Goodwill	27,577	27,577
Property, plant and equipment	3,658	5,257
<b>Total non current assets</b>	<b>106,406</b>	<b>117,646</b>
<b>Current assets</b>		
Trade and other receivables	235,496	289,805
Financial assets	4,168	2,188
Cash and cash equivalents	120,852	71,898
<b>Total current assets</b>	<b>360,516</b>	<b>363,891</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Deferred tax liability	(16,601)	(13,436)
Lease liability	(2,775)	(3,418)
<b>Total non current liabilities</b>	<b>(19,376)</b>	<b>(16,854)</b>
<b>Current liabilities</b>		
Trade and other payables	(255,669)	(298,007)
Corporation tax payable	(7,709)	(3,288)
<b>Total current liabilities</b>	<b>(263,378)</b>	<b>(301,295)</b>
<b>Net current assets</b>	<b>97,138</b>	<b>62,596</b>
<b>Net assets</b>	<b>184,168</b>	<b>163,388</b>
<b>Shareholders' equity</b>		
Ordinary shares	612	610
Share premium	64,370	64,370
Capital redemption reserve	19	19

Retained earnings	128,859	104,207
Own shares held	(9,692)	(5,818)
<b>Total equity</b>	<b>184,168</b>	<b>163,388</b>

### Consolidated Cash Flow Statement For the year ended 31 March 2022

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
<b>Cash flows from operating activities</b>		
Cash received from operations	219,544	141,409
Cash paid in respect of operations	(112,949)	(95,913)
Net cash generated from changes in unit trust receivables and payables	(508)	4,554
Net cash generated from operations	106,087	50,050
Interest received	4	7
Tax paid	(12,500)	(6,416)
Net cash generated from operating activities	93,591	43,641
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(507)	(254)
Acquisition of Architas net of cash	-	(54,124)
Purchase of DBVAP Financial Asset	(3,125)	-
Sale DBVAP Financial Asset	1,183	1,334
Purchase of Seeding investments	(170)	(117)
Sale of Seeding investments	84	-
Net cash used in investing activities	(2,535)	(53,161)
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(1,889)	(2,263)
Purchase of own shares	(5,000)	(812)
Sale of own shares	-	852
Issue of new shares	-	64,421
Dividends paid	(35,213)	(21,074)
Net cash (used in)/from financing activities	(42,102)	41,124
<b>Net increase in cash and cash equivalents</b>	<b>48,954</b>	<b>31,604</b>
Opening cash and cash equivalents	71,898	40,294
<b>Closing cash and cash equivalents</b>	<b>120,852</b>	<b>71,898</b>

Cash and cash equivalents consist only of cash balances.

### Consolidated Statement of Change in Equity For the year ended 31 March 2022

	Ordinary shares	Share premium	Capital redemption	Retained earnings	Own shares held	Total Equity
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Balance at 1 April 2021 brought forward</b>	610	64,370	19	104,207	(5,818)	163,388

Profit for the year	-	-	-	59,203	-	59,203
Total comprehensive income for the year	-	-	-	59,203	-	59,203
Dividends paid	-	-	-	(35,947)	-	(35,947)
Shares issued	2	-	-	(2)	-	-
Purchase of own shares	-	-	-	-	(5,000)	(5,000)
Sale of own shares	-	-	-	(1,042)	1,126	84
Equity share options issued	-	-	-	2,440	-	2,440
<b>Balance at 31 March 2022</b>	<b>612</b>	<b>64,370</b>	<b>19</b>	<b>128,859</b>	<b>(9,692)</b>	<b>184,168</b>

**Consolidated Statement of Change in Equity  
For the year ended 31 March 2021**

	<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>
<b>Balance at 1 April 2020 brought forward</b>	555	57,439	19	37,888	(5,862)	90,039
Profit for the year	-	-	-	27,672	-	27,672
Total comprehensive income for the year	-	-	-	27,672	-	27,672
Dividends paid	-	-	-	(21,074)	-	(21,074)
Capital reorganisation	-	(57,439)	-	57,439	-	-
Shares issued	55	64,370	-	-	-	64,425
Sale/(purchase) of own shares	-	-	-	-	44	44
Equity share options issued	-	-	-	2,636	-	2,636
Deferred tax on option charge taken to equity	-	-	-	164	-	164

Share options settled	-	-	-	(518)	-	(518)
<b>Balance at 31 March 2021</b>	<b>610</b>	<b>64,370</b>	<b>19</b>	<b>104,207</b>	<b>(5,818)</b>	<b>163,388</b>

## Notes to the Financial Statements

### 1. Accounting policies

The Group's accounting policies are consistent with those set out in the Annual Report and Accounts for the year ended 31 March 2021.

#### a) Alternative Performance Measures

Liontrust reports Alternative Performance Measures ("APMs"), including Adjusted Profit Before Tax, Adjusted Operating Profit, Adjusted Operating Margin and Adjusted EPS, alongside our statutory measures, to assist the users of our accounts in assessing the underlying performance of our business operations. The APMs seek to exclude the effects of non-recurring, non-operating (financing/capital/non-cash) and exceptional items from the statutory measures. However, a number of these costs, despite being non-cash are ongoing expenses and will be related to the normal operating basis of the business. The most significant of these is share incentivisation costs. The Directors have also reviewed depreciation expense and IFRS16 related property expenses and concluded that these expenses and share incentivisation costs should not be removed in the calculation of APMs with effect from the financial year ended 31 March 2022 and in future financial years. The Adjusted Profit Before Tax for the financial year ended 31 March 2021 has been represented under this new methodology.

### 2. Segmental reporting

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

Management offers different fund products through different distribution channels. All key financial, business and strategic decisions are made centrally by the Board, which determines the key performance indicators of the Group. The Board reviews financial information presented at a Group level. The Board, is therefore, the chief operating decision-maker 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.

### 3. Revenue (Gross profit)

The Group's main source of revenue is management fees. Management fees are for investment management or administrative services and are based on an agreed percentage of the AuMA. Initial charges and commissions are for additional administrative services at the beginning of a client relationship, as well as ongoing administrative costs. Performance fees are earned from some funds and/or segregated accounts when agreed performance conditions are met.

Year ended	Year ended
31-Mar-22	31-Mar-21
£'000	£'000

Revenue	232,976	161,388
Performance fee revenue	12,595	13,692
<b>Total revenue</b>	<b>245,571</b>	<b>175,080</b>
Cost of sales	(14,252)	(11,321)
<b>Gross profit</b>	<b>231,319</b>	<b>163,759</b>
<b>Gross profit excluding performance fee revenues</b>	<b>218,724</b>	<b>150,067</b>

Revenue from customers includes:

- Investment management on unit trusts, open-ended investment companies sub-funds, portfolios and segregated account;
- Performance fees on unit trusts, open-ended investment companies sub-funds, portfolios and segregated accounts;
- Fixed administration fees on unit trusts and open-ended investment companies sub-funds;
- Net value of sales and repurchases of units in unit trusts and shares in open-ended investment companies (net of discounts);
- Net value of liquidations and creations of units in unit trusts and shares in open-ended investment companies sub-funds;
- Box profits on unit trusts; and
- Foreign currency gains and losses.
- Less rebates paid on investment management fees

The cost of sales includes:

- 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;
- Sales commission paid or payable; and
- External investment advisory fees paid or payable.

Performance fee revenue:

Performance fee revenue includes some fees that are subject to arrangements whereby fees are deferred from prior periods but are only recognised and received following another period of outperformance. During the year £12.6 million of such fees were recognised. In future periods another £2.9 million may be received. 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 31 March 2022 has not been recognised in the results for the year.

#### 4. Administration expenses

	<i>Year ended</i> 31-Mar-22 £'000	<i>Year ended</i> 31-Mar-21 £'000
<b>Employee related expenses</b>		
Wages and salaries	35,221	25,817
Social Security costs	4,539	3,508
Pensions	1,745	1,480
Share incentivisation expense	3,446	4,693
DBVAP expense	2,405	1,656
Severance compensation	704	1,793
	<hr/> 48,060	<hr/> 38,947
<b>Non employee related expenses</b>		
Members drawings charged as an expense	54,639	41,986
Share incentivisation expense members	1,257	1,471
Professional services <sup>1</sup>	6,920	15,025

Depreciation	2,474	208
Intangible asset amortisation	9,641	7,240
Other administration expenses	28,925	24,769
	103,856	90,699
<b>Administration expenses</b>	<b>151,916</b>	<b>129,646</b>

<sup>1</sup> includes acquisition and/or restructuring related costs for Architas, Neptune and Majedie.

## 5. Adjusted profit before tax

Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group, non-cash (intangible asset amortisation) expenses and non-recurring (acquisition, restructuring and severance compensation related) expenses (“**Adjustments**”) and is reconciled in the table below.

Following the change in calculation methodology (as noted above) the Adjusted profit reconciliation for 2021 has been represented under the new methodology which shows what the adjusted profit for 2021 would have been in the prior year if management had chosen to use this. Management note that in this report when they refer to the 2021 Adjusted profit they are referring to the methodology as used at the time (unless otherwise stated).

	<i>Year ended</i> 31-Mar-22 £'000	<i>Year ended</i> 31-Mar-21 £'000 (Restated)
Profit before tax	79,291	34,929
Severance compensation and staff reorganisation costs	704	1,793
Professional services <sup>1</sup>	6,920	15,025
Intangible asset amortisation	9,641	7,240
Adjustments	17,265	24,058
Adjusted profit before tax	96,556	58,987
Interest receivable	(4)	(7)
Adjusted operating profit	96,552	58,980
Adjusted basic earnings per share	129.00	81.48
Adjusted basic earnings per share (excluding performance fees) <sup>2</sup>	121.98	74.08
Adjusted diluted earnings per share	127.63	80.14
Adjusted diluted earnings per share (excluding performance fees) <sup>2</sup>	120.68	73.46

<sup>1</sup> Includes acquisition and/or re-structuring related costs for Architas, Neptune and Majedie

<sup>2</sup> Performance fee revenues contribution calculated in line with operating margin of 42% (2021: 39%) and a taxation rate of 19% (2021: 19%).

## 6. Earnings per share

The calculation of basic earnings per share is based on profit after taxation for the year. The weighted average number of Ordinary Shares was 61,277,480 for the year (2021: 58,846,929). 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 are 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 or Ordinary Shares held in the Liontrust Asset Management Employee Trust that were in existence during the year ended 31 March 2022. The adjusted weighted average number of Ordinary Shares so calculated for the year was 60,628,715 (2021: 59,831,128). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	As at 31-Mar-22 number	As at 31-Mar-21 number
Weighted average number of Ordinary Shares	60,628,715	58,846,929
Weighted average number of dilutive Ordinary shares under option:		
- to the Liontrust Long Term Incentive Plan	625,902	959,895
- to the Liontrust Company Share Option Plan	22,863	24,304
Adjusted weighted average number of Ordinary Shares	61,277,480	59,831,128

## 7. 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:

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

Assets held at fair value through profit and loss:

The Group's financial assets represent shares in the Liontrust GF Strategic Bond Fund, the Liontrust GF European Smaller Companies Fund, the Liontrust GF European Strategic Equity Fund, and the Liontrust GF UK Growth Fund (all sub-funds of Liontrust Global Funds PLC) and are valued at bid price); and units in the Liontrust UK Growth Fund.

## 8. Acquisition of Majedie Asset Management Limited

On 7 December 2021 the Company entered a conditional sale and purchase agreement ("**SPA**") to acquire the entire share capital of Majedie Asset Management Limited ("**Majedie**"). The SPA was conditional on FCA change of control approval and customary closing conditions. FCA change in control approval was received on 8 March 2022 and the acquisition completed on 1 April 2022 ("**Completion**").

## 9. Contingent assets and liabilities

The Group can earn performance fees on some of the segregated and fund accounts 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 31 March 2022 has not been recognised in the results for the year. There were no contingent assets or liabilities at 31 March 2022 (2021: £nil)

## **10. Key risks**

The Directors have identified the risks and uncertainties that affect the Group's business and believe that they are substantially the same for this year as the current risks as identified in the 2021 Annual Report and Accounts. 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, terrorism, 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 warning flags 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.

## **11. Directors responsibility statement**

To the best of their knowledge and belief, the Directors confirm that:

The consolidated financial statements of Liontrust Asset Management Plc, prepared on a going concern basis in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of Liontrust Asset Management Plc and the undertakings included in the consolidation taken as a whole.

The announcement includes a fair summary of the development and performance of the business and the position of Liontrust Asset Management Plc and the undertakings included in the consolidation taken as a whole and a description of the principal risks and uncertainties that they face.

## **Forward Looking Statements**

This Full Year Results announcement 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. As a result, the Group's actual future financial condition, results of operations and business and plans may differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements. Liontrust undertakes no obligation publicly to update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Listing Rules of the Financial Conduct Authority). Nothing in this announcement should be construed as a profit forecast or be relied upon as a guide to future performance.



The 2022 Annual Report and Accounts is expected to be posted to shareholders on or around 1 July 2022.

The release, publication, transmission or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published, transmitted or distributed should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

### **Shareholder services**

Link Group (a trading name of Link Market Services Limited and Link Market Services Trustees Limited) may be able to provide you with a range of services relating to your shareholding. To learn more about the services available to you please visit the shareholder portal at [www.signalshares.com](http://www.signalshares.com) or call 0371 664 0300. Calls outside the UK will be charged at the applicable international rate. Lines are open Monday to Friday, 9.00 am to 5.30 pm, UK time, excluding public holidays in England and Wales.

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