

RATHBONES

2023
INTERIM RESULTS

26 JULY 2023
RATHBONES GROUP PLC



YOUR TEAM TODAY



Paul Stockton
Group Chief Executive Officer



Jennifer Mathias
Group Chief Financial Officer

BUSINESS UPDATE

Paul Stockton
Group Chief Executive Officer

MARKET BACKDROP

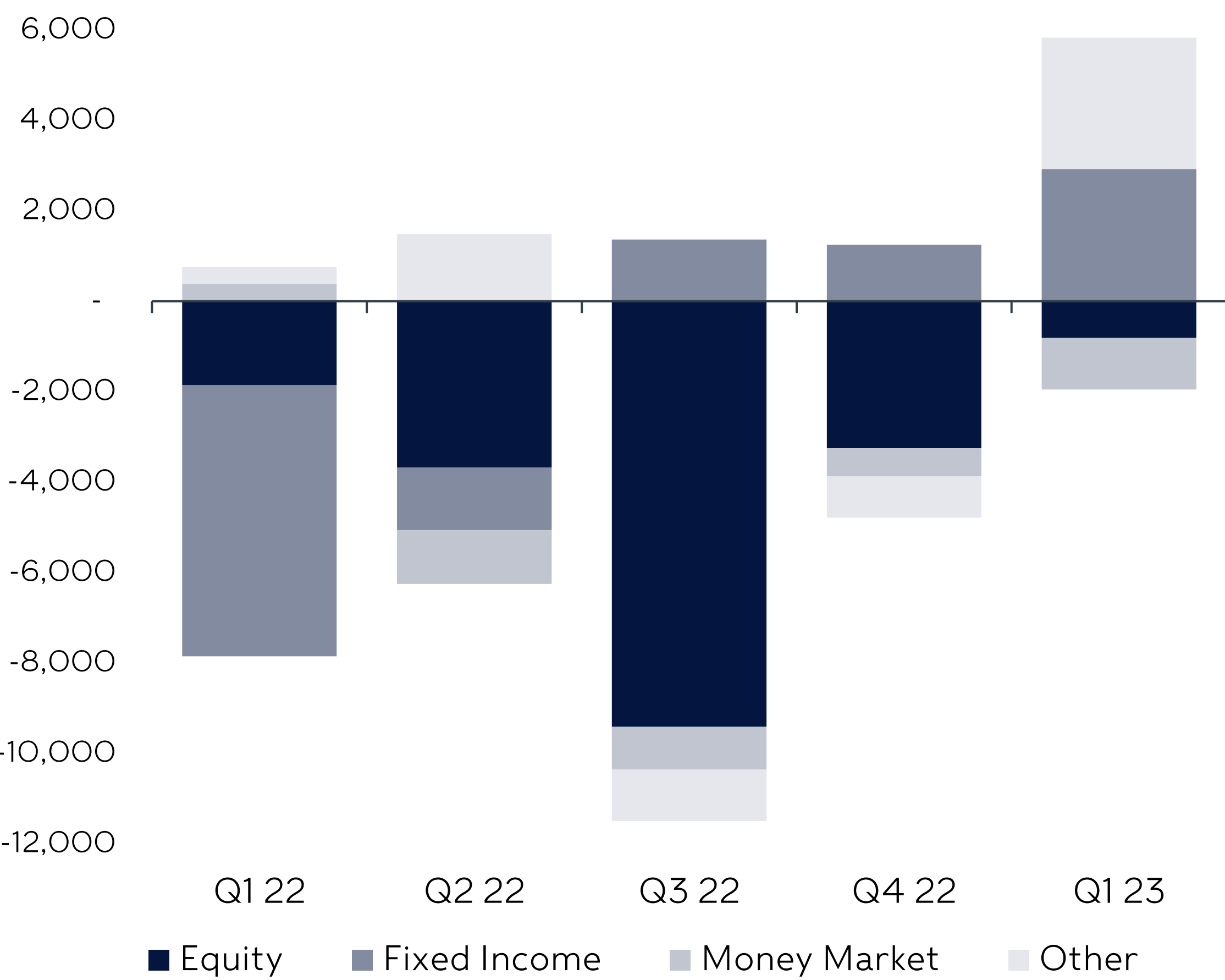
2023 so far

- Challenging equity markets
- Balancing inflation and interest rate expectations
- Changing investor sentiment and asset allocation

Our response

- Engagement and service provides reassurance to focus on client planning horizons
- Active asset allocation
- Ongoing choice of proposition
- Driving efficiency and ease of doing business

Retail sales of UK funds and recognised overseas funds (£m)¹



1. The Investment Association

DIVERSIFIED AND VALUED BUSINESS MODEL

Wealth Management	Asset Management (Funds)	Financial planning and advice
Benefits of scale and margin	Growth of multi-asset solutions	Enhanced capability, focus on professional segments

c.600

Growth in IM client numbers in H1 23

+4.2%

Year-on-year growth in number of investment and adviser professionals

+11.0%

Annualised growth in multi-asset funds in H1 23

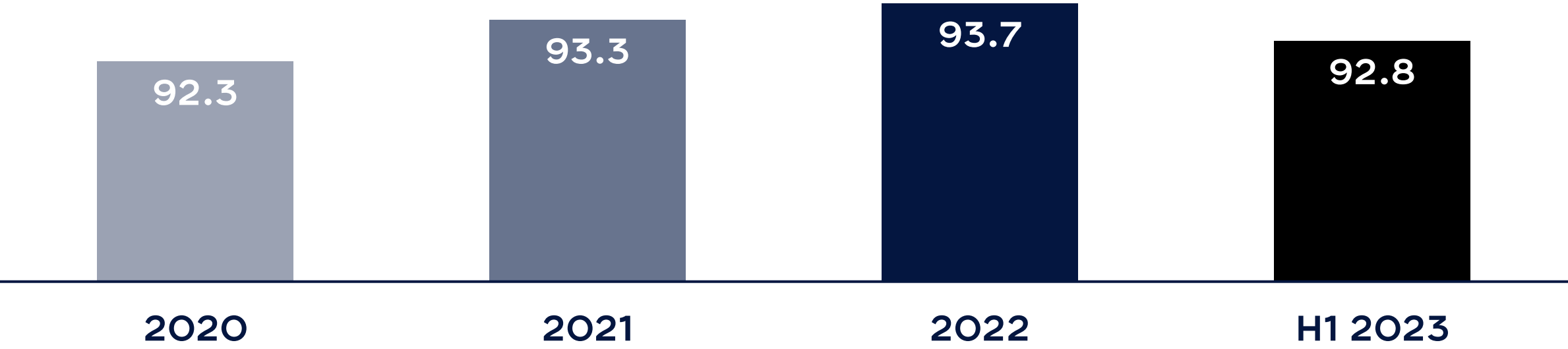
£60.5bn

Group FUMA¹

£8.8bn

Advised FUMA

Annualised client retention rate (%)



A diversified model

- Balanced business model, which delivers resilient growth
- Focus on financial planning and advice to drive future growth
- Robust IM revenue margin of 74.2bps

With growing distribution

- Growth in clients with stable investment manager and adviser base
- Increasing penetration in financial adviser markets

Valued by our clients

- High client retention
- Service focus providing choice and optionality

1. Funds under management and administration

SAUNDERSON HOUSE – ENHANCING THE BUSINESS MODEL

- ✓ Lower cost and improved solutions to clients
- ✓ c.£1bn FUMA migrated at 30 June 2023
- ✓ Migration complete by end Q1 24
- ✓ No time based charges during transition
- ✓ Normalised advisory revenues post migration
- ✓ Fee margin of c.55bps once assets migrated

	At acquisition	Target Rathbones model
Proposition	Fund of funds with third parties	In-house solutions: Multi asset fund service Bespoke discretionary Specialist services
Service	30% discretionary	90%+ discretionary
Revenue model	Time based charging	Ad valorem charging
	<ul style="list-style-type: none">— Enhancing advisor capacity— Leveraging in house investment process— Building distribution	

DIGITAL PROJECTS: MANAGING CHANGE WITHIN BUDGET

Investcloud CLM ¹	Charles River asset management	My Rathbones enhancement and client reporting
<ul style="list-style-type: none">— Transformation of prospecting, onboarding and servicing capability continues— Product refinement underway— Improvements to client experience in the short term— Scope optimised in light of combination and remains managed to within budget— Launch now Q1 24	<ul style="list-style-type: none">— Enhanced functionality— Stronger investment process— Efficiency savings— On time and on budget	<ul style="list-style-type: none">— Increased client usage— Efficiency savings— Agile development cycles responding to client feedback— Further client reporting enhancements delivered— On time and on budget

1. Client lifecycle management

MAINTAINING MOMENTUM FOR GROWTH



Enriching the client and adviser proposition and experience

- Brand refresh
- Upgraded website
- Clarifying propositions with a consumer duty lens
- Advice services provide optionality

Supporting and delivering growth

- Focus on key affinity groups, IFAs and advisers
- Leveraging investment manager and financial planner networks
- Saunderson House migration
- Creating capacity

Inspiring our people

- Employee net promotor score of 39 versus benchmark of 22 (Source: Peakon)
- Focus on diversity, inclusion and well being

Operating more efficiently

- Ongoing digital delivery
- Streamlining services
 - Reliance on adviser
 - Rathbone Select
- Process enhancement and change

COMBINATION WITH INVESTEC W&I ON TRACK

- Strong shareholder support
- Integration planning underway
- Completion around the end of Q3
- Exciting opportunities



Timeline

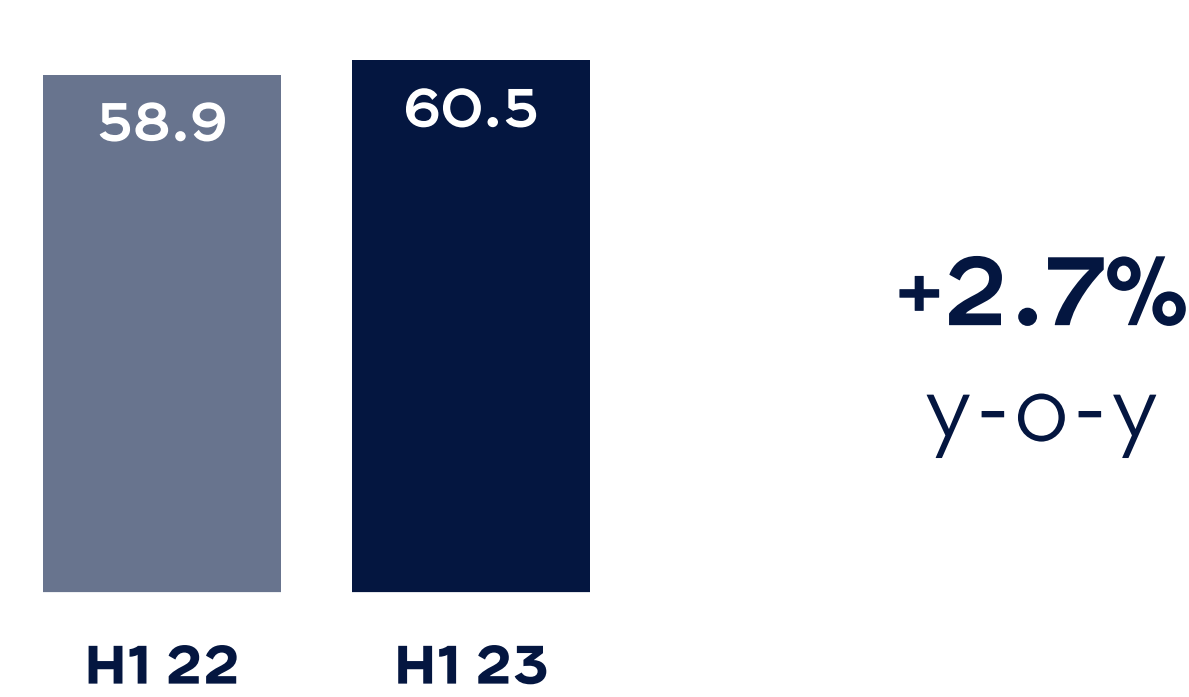


FINANCIAL RESULTS

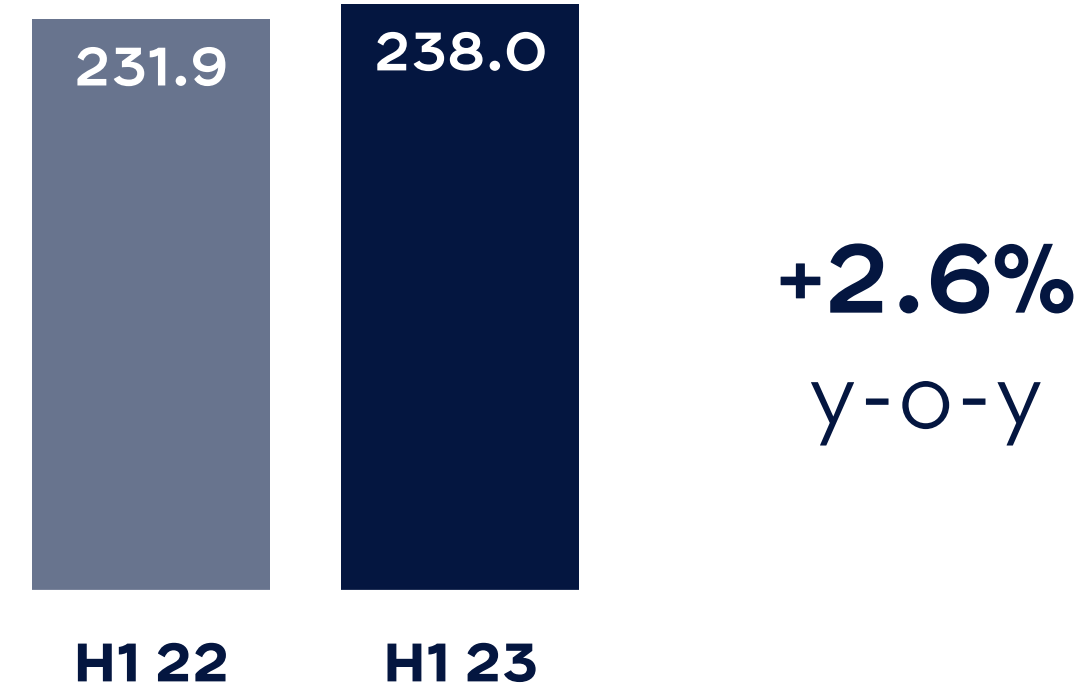
Jennifer Mathias
Group Chief Financial Officer

FINANCIAL HIGHLIGHTS

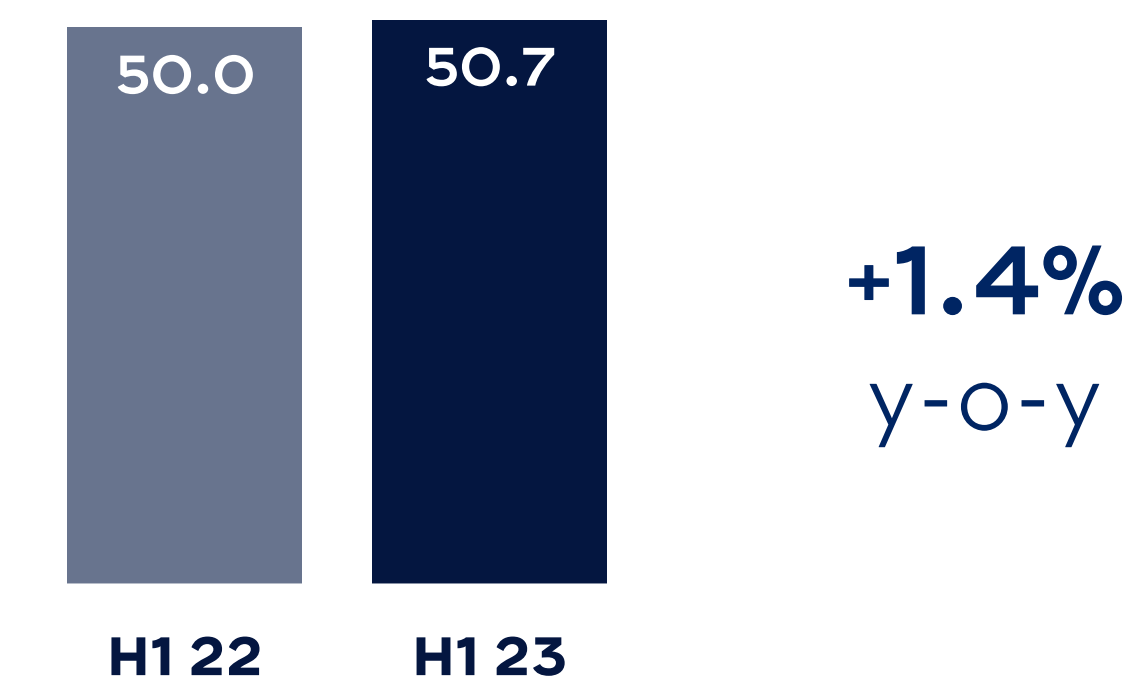
FUMA (£bn)



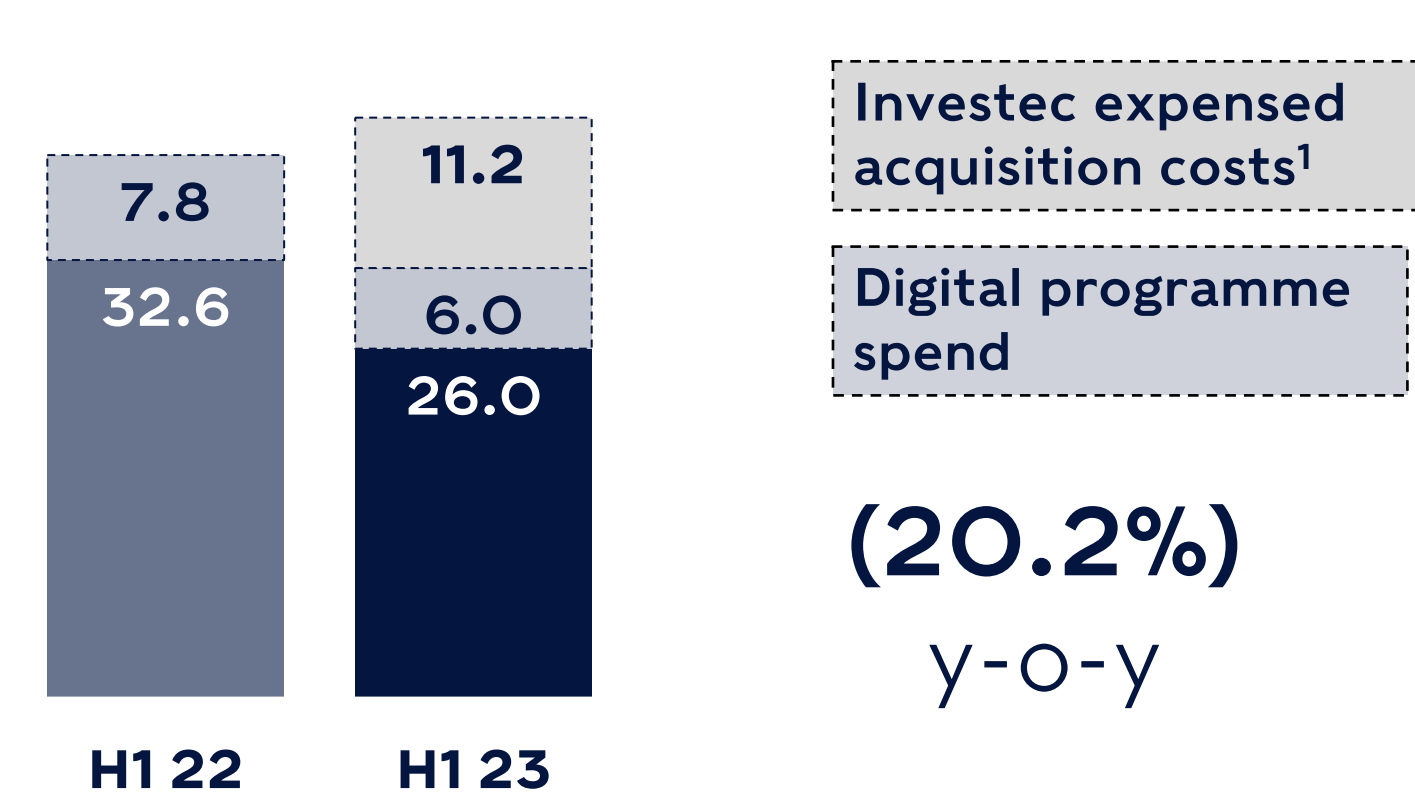
Operating income (£m)



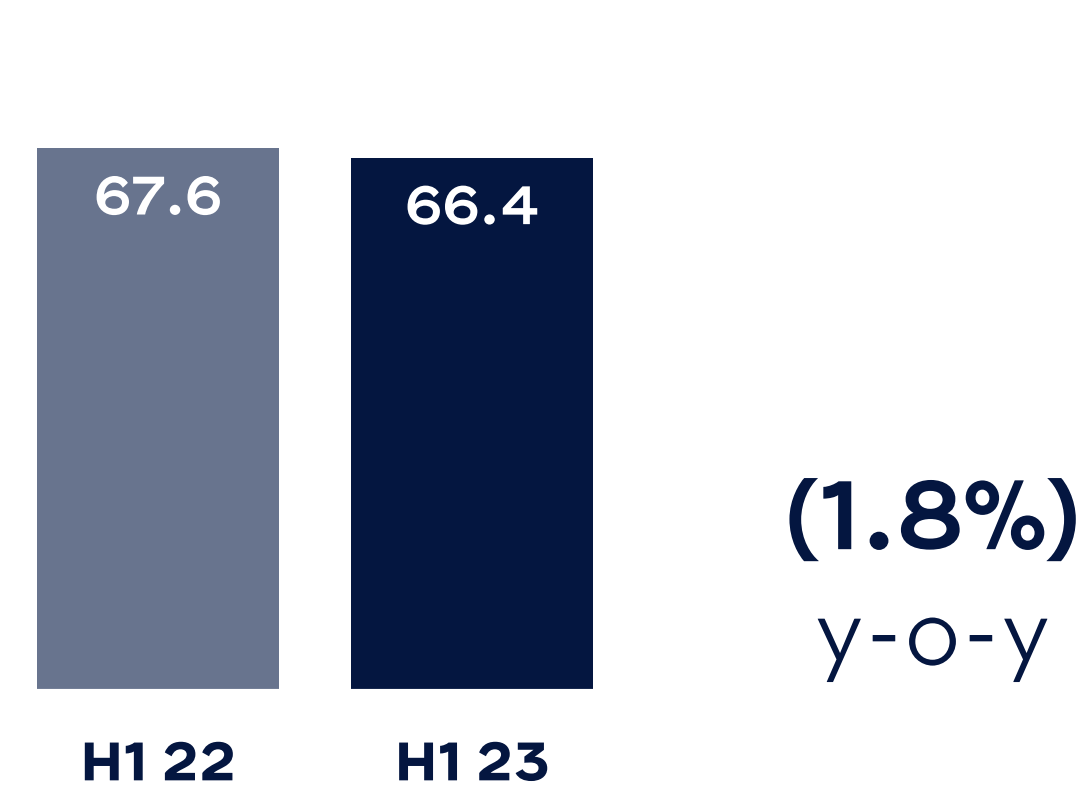
Underlying PBT (£m)



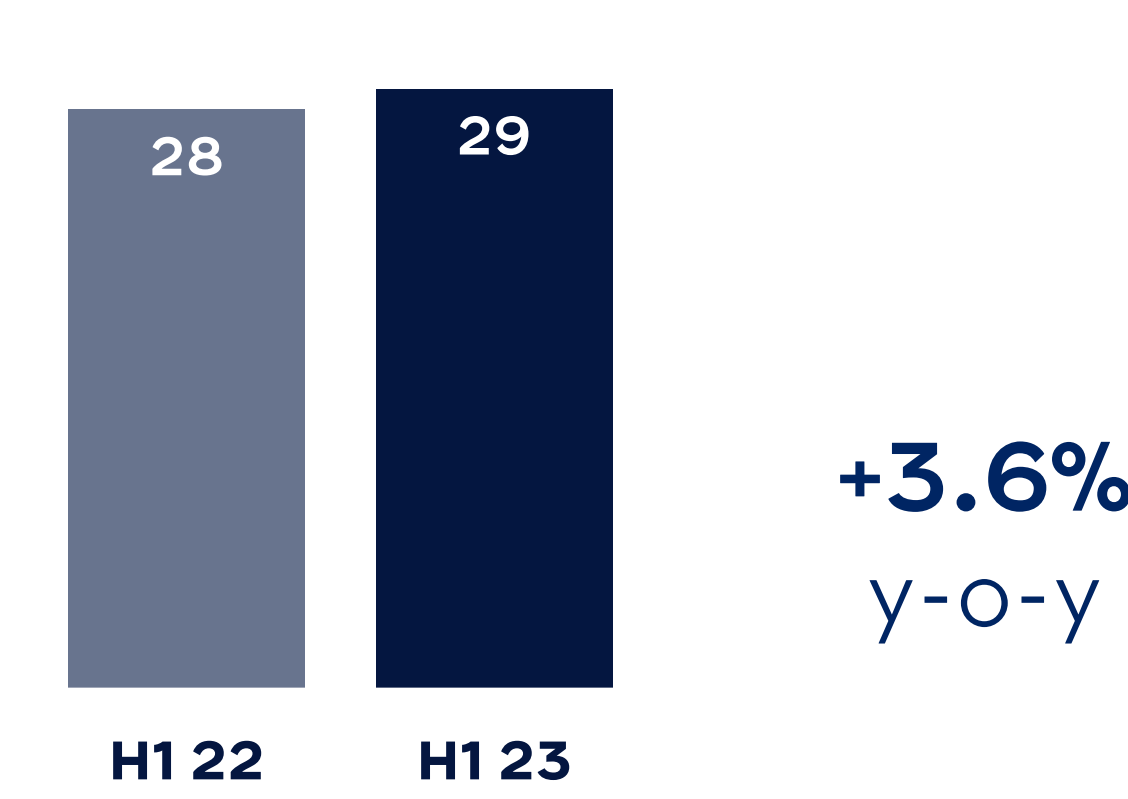
Statutory PBT (£m)



Underlying basic EPS (pence)



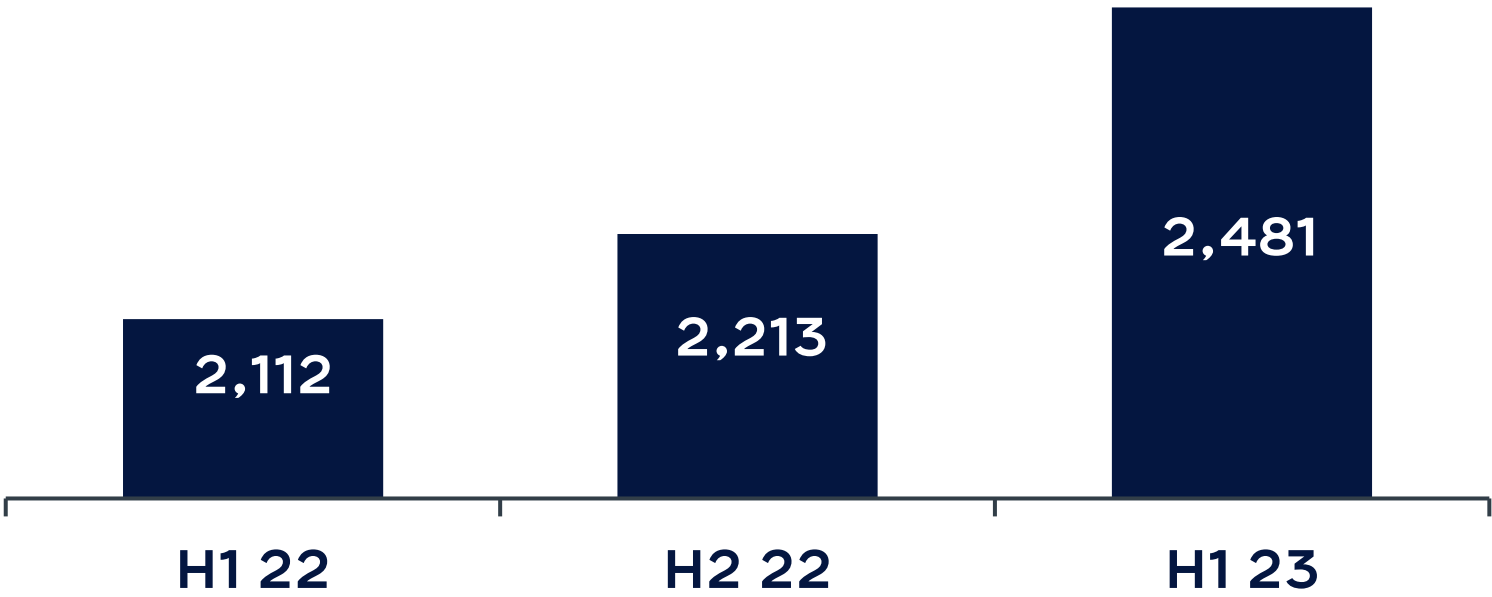
Interim dividend per share (pence)



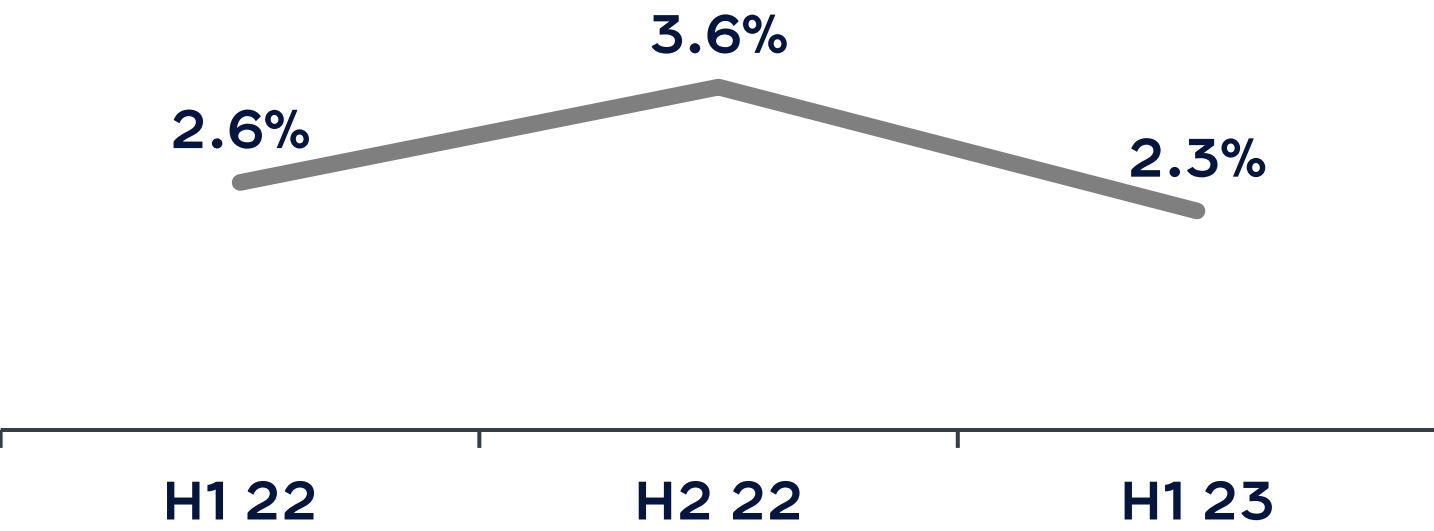
1. Acquisition-related costs regarding the combination with Investec W&I were £14.9 million, of which £11.2 million were recognised in profit or loss and the remainder recognised as an asset at 30 June.

CONTINUED NET INFLOWS IN DISCRETIONARY AND MANAGED

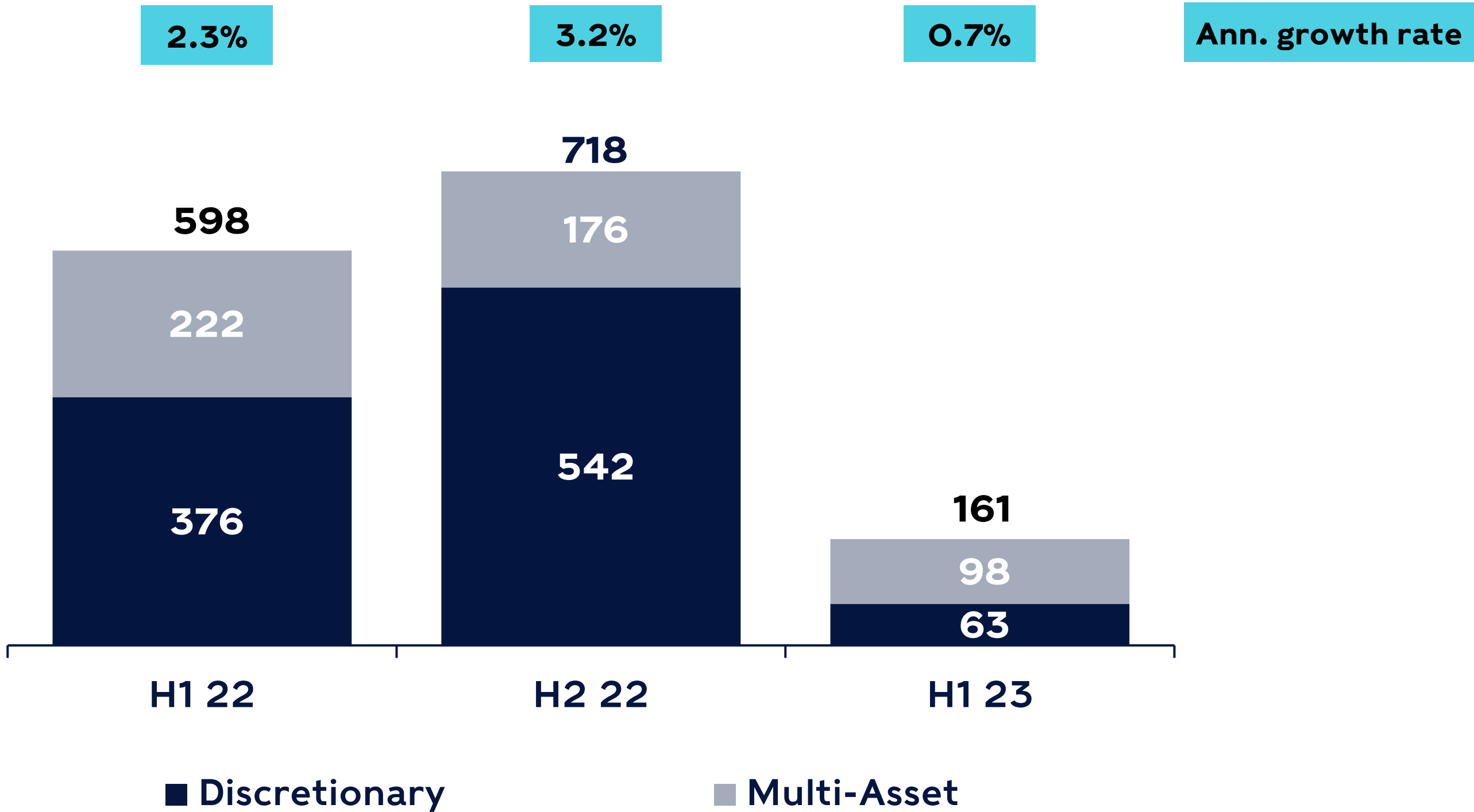
Discretionary and managed gross inflows (£m)



Discretionary and managed (excluding Charities) annualised net growth rate



Discretionary and managed net inflows (£m)



- Strong momentum in gross inflows
- Outflows elevated in our Charities business

DIVERSIFIED INCOME STREAMS

Diversified sources of income

- Total Investment Management, commission and funds income reduced in line with market
- Increased interest income from higher base rate
- Reduction in advisory services fees reflects Saunderson House focus on client migration
 - Saunderson House fees £10.5m (H1 22: £17.0m)

Stable revenue margins²

- Investment Management - H1 23: 74.2bps (H1 22: 73.0bps)
- Funds - H1 23: 54.1bps (H1 22: 55.1bps)

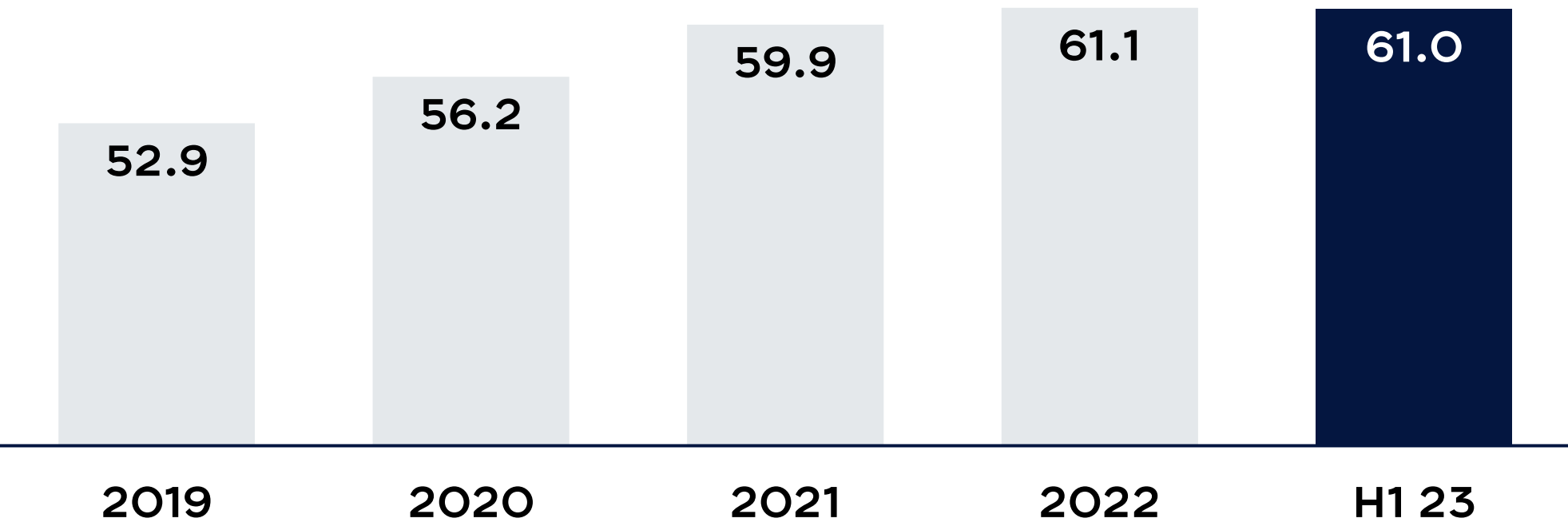
	H1 23 (£m)	H1 22 (£m)	% change
Investment Management fee income	138.8	139.4	(-)
Net commission income	23.7	26.9	(12)
Total fee and commission income	162.5	166.3	(2)
Rathbones Funds income	31.1	32.1	(3)
Net interest income	23.0	6.1	277
Fees from advisory services ¹	20.8	26.8	(22)
Other income	0.6	0.6	-
Total operating income	238.0	231.9	3
Average MSCI PIMFA index (on quarterly billing dates)	1,697	1,736	(2)

1. Includes income from Saunderson House, Rathbones Financial Planning, Vision Independent Financial Planning and trust and tax services

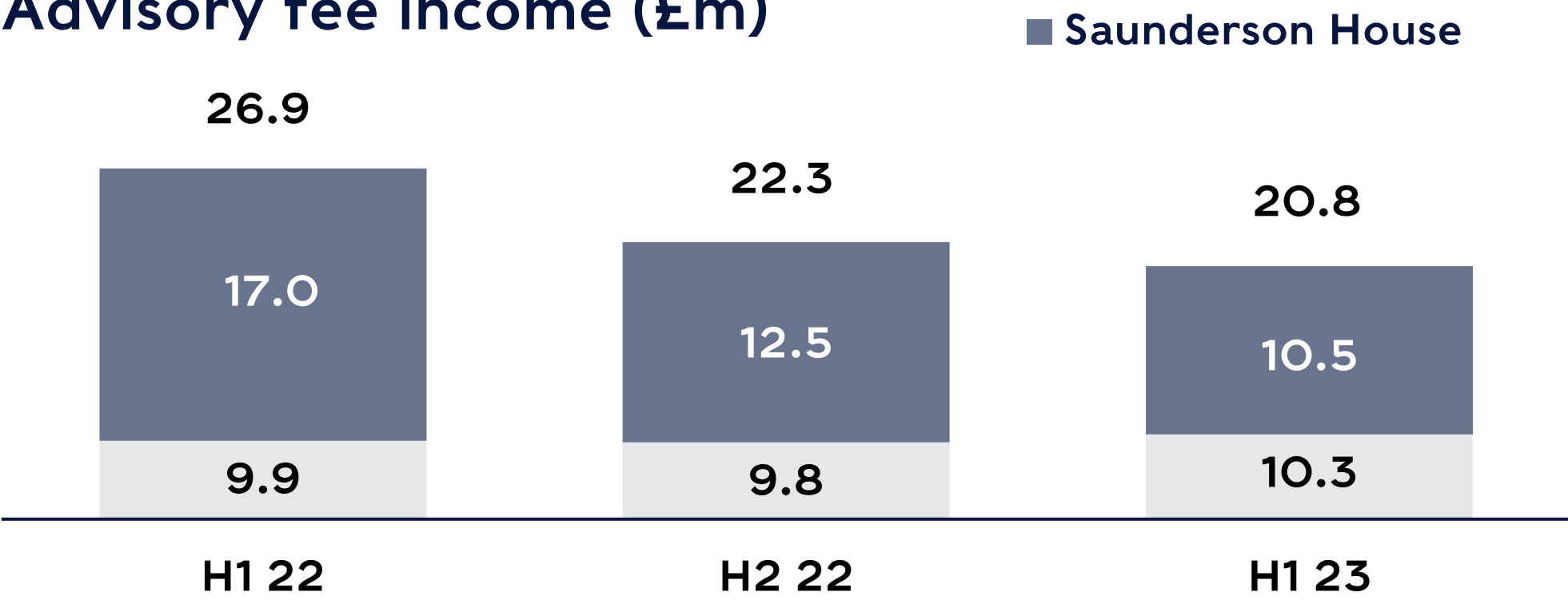
2. Operating income excluding interest on own reserves, interest payable on Tier 2 notes issued, fees from advisory income and other income, divided by the average funds under management on the quarterly billing date

STABLE INVESTMENT MANAGEMENT MARGIN, INCREASING INTEREST INCOME

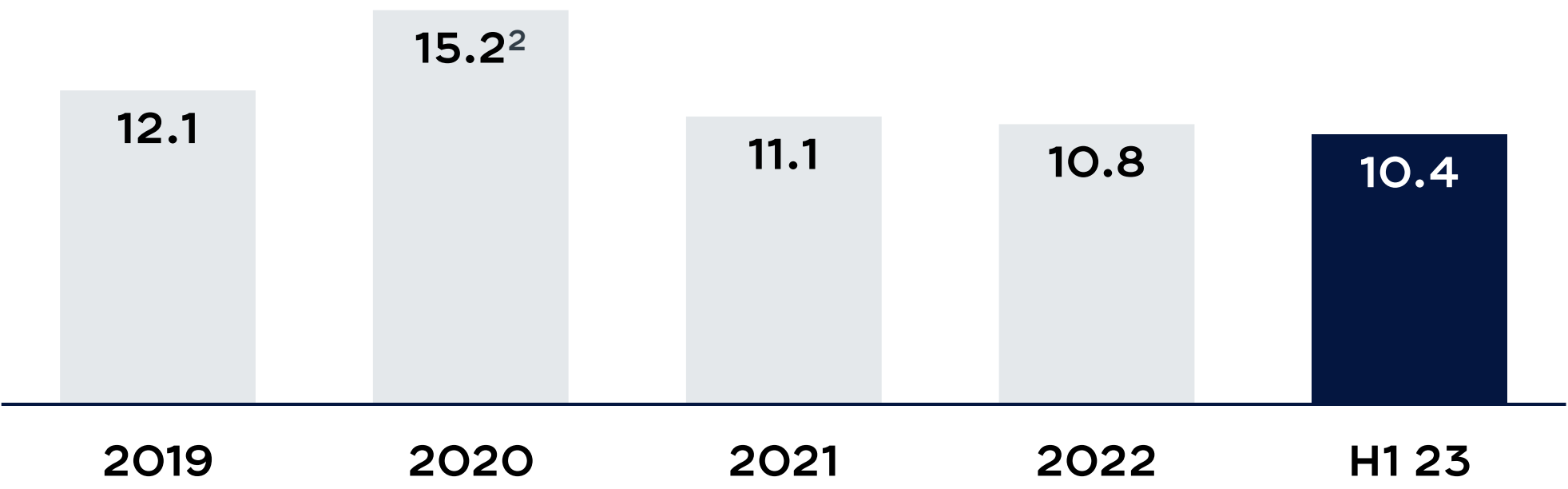
Basis point return from discretionary fees¹



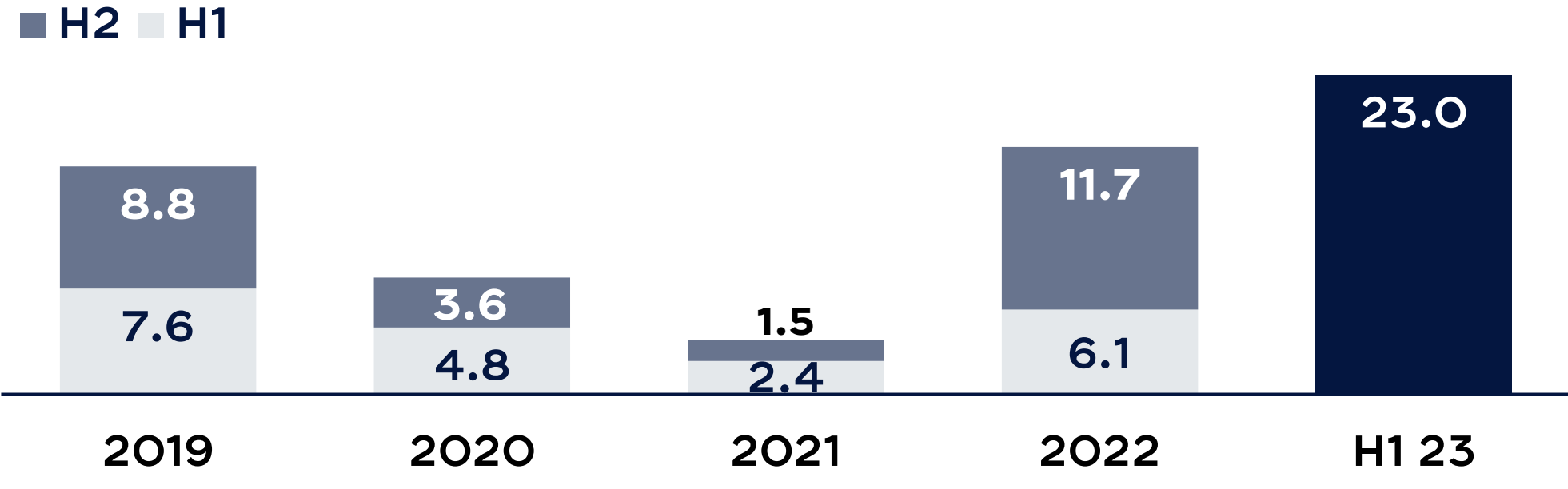
Advisory fee income (£m)



Basis point return from commission¹



Group interest income (£m)



1. Basis point return is calculated by annualising year to date income divided by the average reported quarterly Investment Management FUMA for the period
2. Includes commission from Speirs & Jeffrey acquisition
Interest rate basis point return for Investment Management standalone was 2.8bps for H1 23, giving a total Investment Management revenue margin of 74.2bps (H1 22: 73.0bps)

COSTS

DISCIPLINED EXPENSE GROWTH SUPPORTS STRATEGY

	H1 23 (£m)	H1 22 (£m)	% change
Fixed staff costs	88.3	79.6	11
Variable staff costs ¹	43.9	44.2	(1)
Other operating expenses	55.1	58.2	(5)
Total underlying operating expenses	187.3	182.0	3
Average FTE ² employees	2,139	2,011	6
Actual FTE ² employees	2,169	2,041	6
Performance-related variable staff costs as a % of underlying profit before performance-related variable staff costs and tax	45.0%³	45.9%	

- Increased fixed staff costs:
 - Impact of recruitment in 2022
 - 6% average salary increase
- Reduction in other operating expenses:
 - Lower digital spend
 - Reduction in FSCS levy
- Capital expenditure £2.1m (H1 22: £4.8m)
- Disciplined cost management in inflationary environment

1. Includes share-based and other non-bonus awards, including accounting impact of deferred awards.

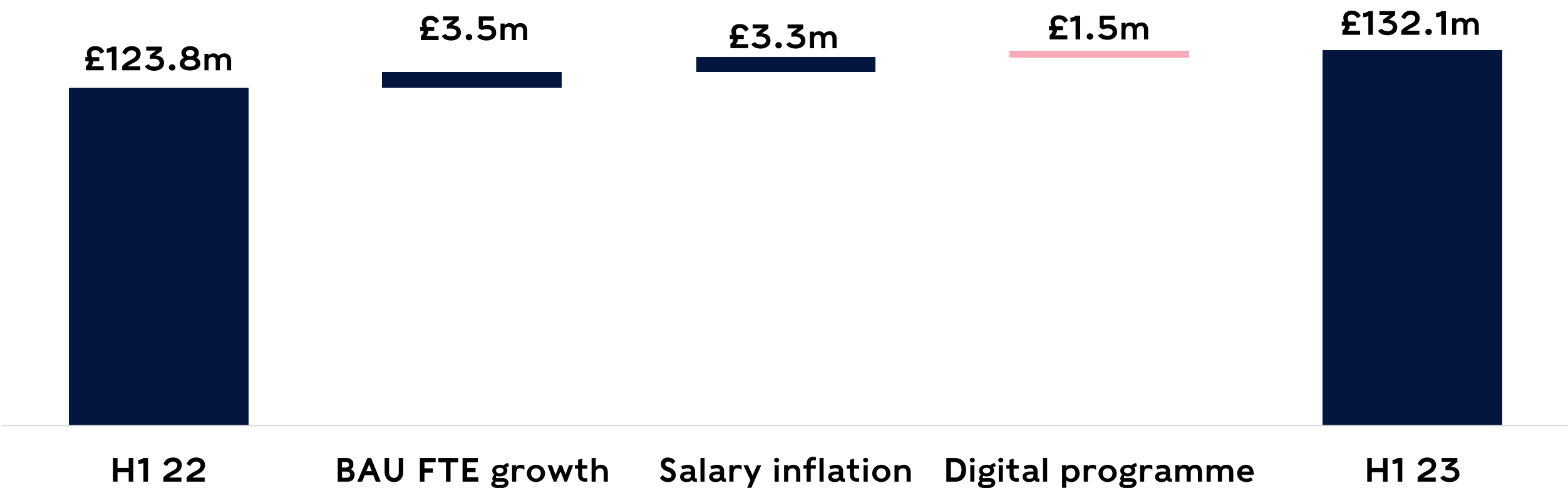
2. Full time equivalent

3. Excluding £6.0m of expenditure on our digital strategy in the year, this measure was 42.2% (H1 22: 42.2%)

COSTS

DISCIPLINED EXPENSE GROWTH SUPPORTS STRATEGY

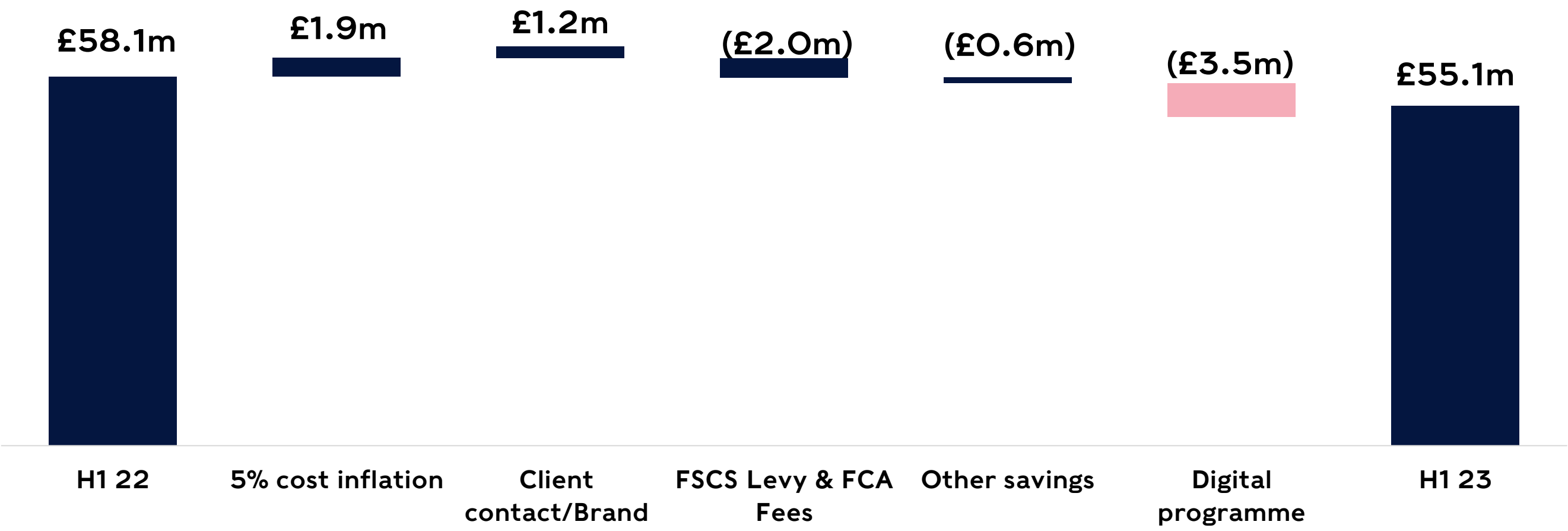
Staff costs



Staff costs

- Impact of BAU hires in H2 2022 and H1 2023
- Average salary increase of 6%
- Impact of digital programme hires

Other operating expenses



Other operating expenses

- Impact of inflation of c.5%
- Increase in client entertainment and marketing
- Reduction in FSCS levy
- Lower spend on digital programme

RESILIENT UNDERLYING PROFIT BEFORE TAX

Underlying PBT

- Increased interest income largely offset by lower commission and impact of Saunderson House migration
- Underlying operating margin excluding digital spend was 23.8%

Acquisition-related costs as guided

- Saunderson House - deferred consideration payments and integration costs £3.5m (FY 22: £10.0m)
- Speirs & Jeffrey - deferred consideration payments £0.6m (FY 22: £3.5m)
- Investec W&I acquisition-related costs - £11.2m was solely the profit or loss charge for the period

Tax rate

- Legal and professional costs relating to Investec W&I acquisition increase the rate to just above statutory
- For FY 23, composite UK corporation tax rate is 23.5%

	H1 23 (£m)	H1 22 (£m)	% change
Underlying profit before tax	50.7	50.0	1
Charges in relation to client relationships and goodwill	(9.5)	(9.9)	(4)
Acquisition-related costs	(15.2)	(7.5)	103
Profit before tax	26.0	32.6	(20)
Profit after tax	19.7	25.0	(21)
Effective tax rate	24.2%	23.4%	
Total comprehensive income, net of tax¹	17.6	29.3	(40)
Underlying operating margin	21.3%	21.5%	

1. The difference between profit after tax and total comprehensive income (net of tax) is movements relating to the valuation of the group defined benefit pension scheme – see note 17 in the HY 23 press release

STRONG CAPITAL POSITION, SUPPORTS DIVIDEND INCREASE

Capital position

- Highly cash-generative business
- CET1 ratio of 17.6%

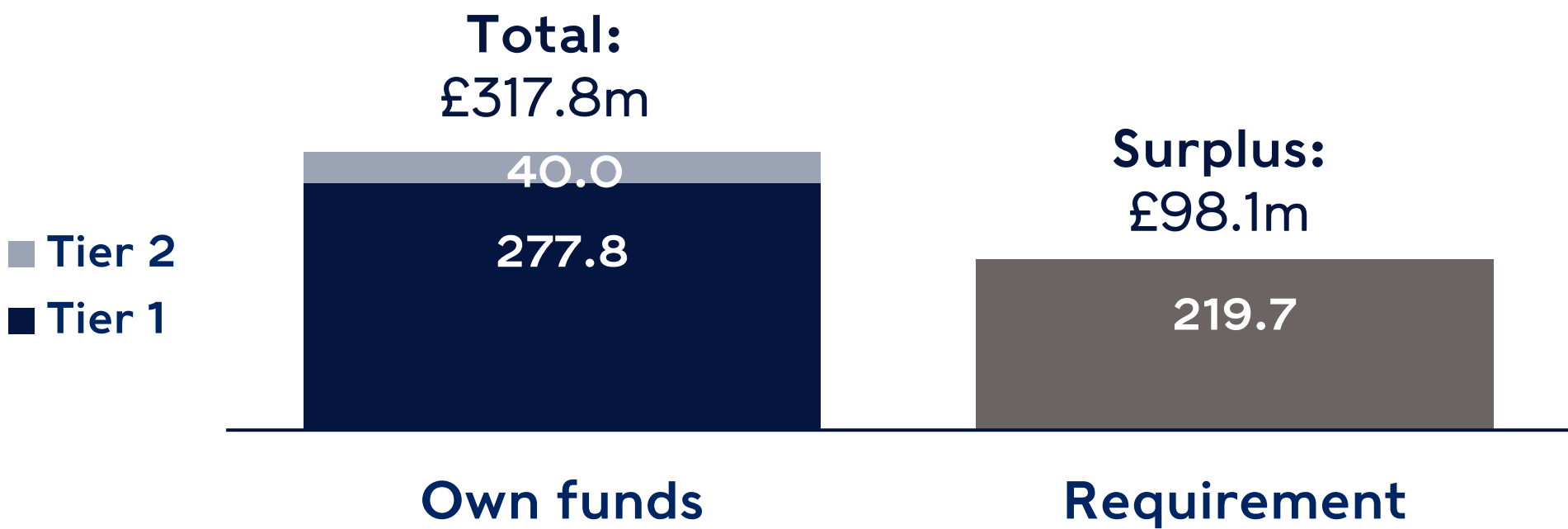
Capital requirement

- FPC announcement increased countercyclical capital by a further c.£16m in July 2023

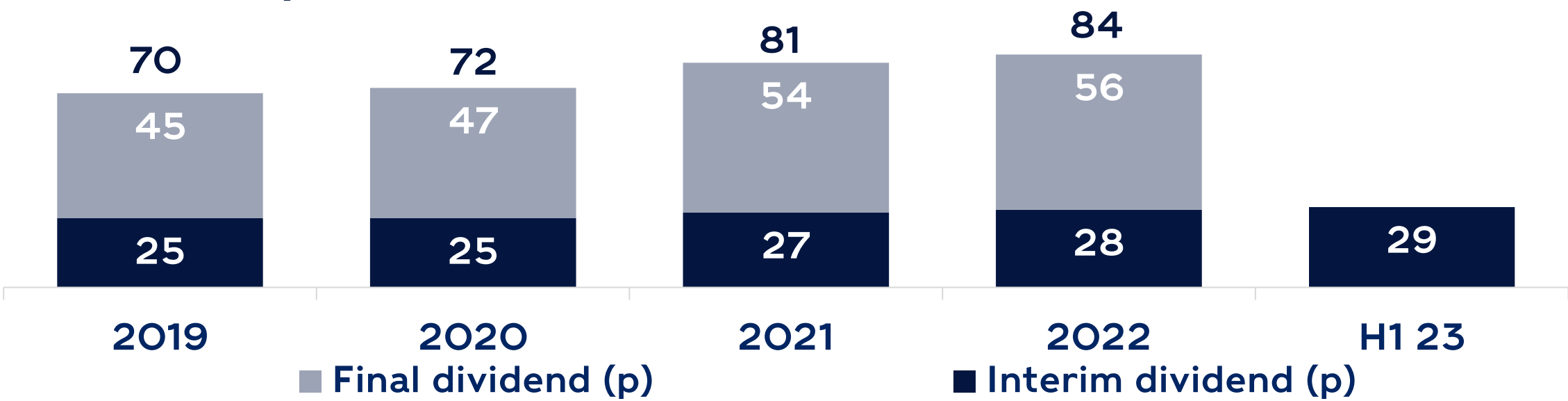
Dividend

- Generally progressive policy remains in place
- Second interim dividend announced, to ensure dividends remain aligned to earnings

30 June 2023 (£m)



Dividend history



	2019	2020	2021	2022	H1 23
Dividend growth	6.1%	2.9%	12.5%	3.7%	3.6%
Dividend yield ¹	3.5%	4.4%	4.6%	4.0%	-

1. The 2019-H1 23 dividend yields are based on the share prices on the dates of each respective results announcement.

FINANCIAL OUTLOOK FOR H2 2023

Revenues

- Stable revenue margin
- Rising base rate to continue to positively impact net interest income; FY 23 net interest income expected to be c.£45 million, up from previous guidance of £35 million

Costs

- Hiring now largely complete
- Ongoing expense discipline, mindful of inflationary environment
- Digital strategy likely to extend into 2024 but cost remains within £40 million

Operating margin

- Operating margin for FY 23 expected to be consistent with 2022, in the low 20s.

STRONG OUTLOOK FOR THE ENLARGED RATHBONES GROUP

	2023	2024	Medium term post integration
			3+ years post IW&I completion
Key drivers of outlook	<ul style="list-style-type: none">— Investec combination completion expected in Q3 23— Growing digital capability— Revenue stability— Disciplined cost management in an ongoing inflationary environment— Saunderson House migration	<ul style="list-style-type: none">— Integration planning— Balancing earnings and costs to achieve synergies— Saunderson House synergy— CLM launch	<ul style="list-style-type: none">— Strong market position for growth— Synergy benefits realisation— Benefits from strategic partnership with Investec Group
Underlying operating margin %	Low 20's	High 20's	30+

Earnings accretion underpins Rathbones’ commitment to a progressive dividend policy

Note: Margin guidance subject to market conditions.

Q&A



APPENDIX

ACCESSING THE FINANCIAL ADVICE MARKET

RFP In-house financial planning

- ‘Whole of market’ advice through in-house financial planners for clients with complex needs
- Regulated advice on a point-in-time or ongoing basis
- Complement and support existing relationships between IMs and their clients
- Increasingly important part of presenting ‘One Rathbones’ in pitches for UHNW clients
- Continued investment for growth
- Acquisition of Saunderson House

Vision Independent Financial Planning

- Independent IFA network committed to DFM investment solutions
- Focused on mass affluent to HNW segments £2.9bn FUMA, 137 self-employed advisers
- Further recruitment of advisers planned

Distribution of investment services to external IFAs

- Single specialist sales team representing One Rathbones to the adviser market place
- Increasing adviser relationships based on a group proposition which is built from recognised Asset Management and Wealth Management expertise
- Continued evolution of our group proposition including new integrated adviser on-boarding options
- Distribution team complemented by our growing footprint of local IMs and other relationships

WE DELIVER CLIENT SOLUTIONS ACROSS MULTIPLE CHANNELS

Channels		Rathbones investment process	Our ambition
WEALTH MANAGEMENT	Direct or B2B Investment Management	Bespoke discretionary	— Expand client and advisor networks
		Managed fund solutions	— Grow market share
	Internal and external facing advice		— Build specialisms
		Financial planning and other advisory	— Leverage Rathbones Funds capability
ASSET MANAGEMENT	B2B distribution		— Expand IFA and network partnerships
		Non discretionary/ Execution Only/ Banking	— Grow adviser numbers
		Single strategy funds	— Service existing client network
ASSET MANAGEMENT	B2B distribution		— Accessing specialist client sectors
			— Complementary to main services
			— Investment performance focus
ASSET MANAGEMENT	B2B distribution		— Penetrate the IFA market
			— Selected product launch

SUPPORTING AND DELIVERING GROWTH

STRONG TRACK RECORD OF ACQUISITIONS

Saunderson House (2021)

- ✓ Integration progressing well
- ✓ Encouraging revenue and growth potential
- ✓ Reaffirming targets
 - Expected ROIC: c.12%
 - EPS accretion: c.10%

Speirs & Jeffrey (2018)

- ✓ EPS accretion target of at least 8%
- ✓ ROIC target of 13%

Other historical transactions		
Year	Target	FUMA (£bn)
2012	Vision Independent Financial Planning	19.9% holding and option over remaining 80.1%
2012	Taylor Young Investment Management	c.£350m FUM
2014	Tilney Investment Management (London)	c.£630m FUM
2014	Jupiter private client business	c.£1.9bn FUM
2015	Vision Independent Financial Planning	Remaining 80.1%; c.£925m FUMA
2020	Barclays Wealth Court of Protection team	c.£440m FUM

MOVEMENT IN FUNDS UNDER MANAGEMENT AND ADMINISTRATION

Investment Management business

	H1 23 (£bn)	H1 22 (£bn)
Opening FUMA	45.1	50.3
Inflows	2.3	1.8
— organic ¹	2.3	1.8
— purchased ²	0.0	0.0
Outflows	(2.3)	(1.6)
— retained accounts	(1.3)	(1.0)
— closed accounts	(1.0)	(0.6)
Market effect and investment performance	0.3	(6.7)
Closing FUMA (pre acquisitions)	45.4	43.8
Saunderson House ⁵	2.9	4.2
Closing FUMA	48.4	48.0
Net organic (outflows)/inflows	-	0.2
Rate of net organic growth^{3 4}	(0.1%)	0.9%
Total rate of net growth^{3 4}	(0.1%)	0.9%

1. Organic growth excludes income items and represents new business from current clients or from new clients (including those via intermediaries)
2. Purchased growth is defined as corporate or team acquisitions
3. Calculated using unrounded numbers
4. Growth rates exclude the impact of Saunderson House
5. This figure is net of discretionary wrapped funds (£198m). These represent funds operated by Rathbone Funds, managed by both Saunderson House teams and Rathbone Funds managers. The reduction in Saunderson House FUMA reflects the migration of c.£1bn now recognised directly in the Investment Management or Funds business.

Funds business

	H1 23 (£bn)	H1 22 (£bn)
Opening FUM	11.0	13.0
Inflows	2.3	1.7
Outflows	(1.6)	(1.6)
Market effect and investment performance	0.5	(2.2)
Closing FUM	12.2	10.9
Net organic inflows	0.7	0.1
Total rate of net growth³	12.8%	1.8%

Total group FUMA

	H1 23 (£bn)	H1 22 (£bn)
Investment management (pre acquisitions)	45.4	43.8
Saunderson House	2.9	4.2
Rathbone funds	12.2	10.9
Closing FUMA	60.5	58.9

BREAKDOWN OF NET ORGANIC INFLOWS BY SERVICE LEVEL

Service level	H1 23		H1 22		H1 21	
	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)
Discretionary service	63		376		714	
— Bespoke portfolios	(39)	(0.2)	301	1.3	633	3.0
— Managed via in-house funds	102	14.3	75	11.9	81	19.0
Multi-asset funds	98	9.1	222	22.3	291	44.2
Total discretionary and managed	161	0.7	598	2.3	1,005	4.5
Non-discretionary service	(8)	(2.1)	(27)	(5.3)	(109)	(15.6)
Total wealth management	153	0.6	571	2.2	897	3.9
Single-strategy funds	(279)	(8.6)	(201)	(4.8)	540	17.1
Execution-only and banking	(87)	(7.2)	(113)	(8.5)	(131)	(11.3)
Total group (excluding Saunderson House)	(213)	(0.8)	257	0.8	1,305	4.8
Saunderson House	(156)	(7.6)	(50)	(2.0)	-	-
Total group	(369)	(1.2)	207	0.6	1,305	4.8
Entity	H1 23		H1 22		H1 21	
	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)
Rathbone Investment Management	(32)	(0.1)	236	0.9	474	2.0
Inter-company	(884)	74.6	(94)	7.0	(199)	18.4
Rathbones funds	703	12.8	115	1.8	1,030	21.0
Total group (excluding Saunderson House)	(213)	(0.8)	257	0.8	1,305	4.8
Saunderson House	(156)	(7.6)	(50)	(2.0)	-	-
Total group	(369)	(1.2)	207	0.6	1,305	4.8

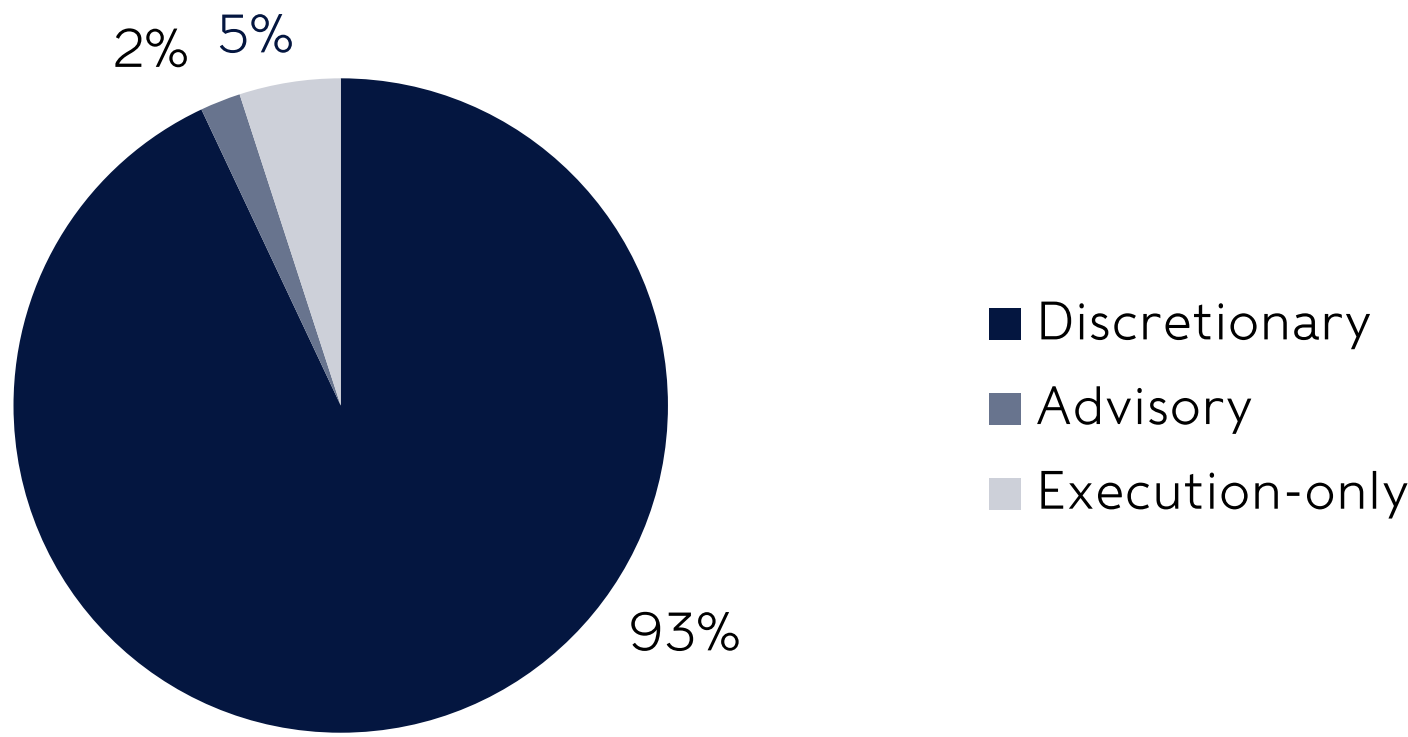
BREAKDOWN OF NET ORGANIC INFLOWS BY CHANNEL

Channel	H1 23		H1 22		H1 21	
	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)
Discretionary service						
— Bespoke portfolios	(237)	(1.4)	62	0.3	286	1.7
— Managed via in-house funds	37	(10.9)	30	10.2	34	18.6
Direct	(200)	(1.2)	92	0.5	320	1.9
— Bespoke portfolios	198	4.0	239	4.4	347	7.6
— Managed via in-house funds	65	17.3	45	13.3	47	19.3
Financial adviser linked	263	4.9	284	5.0	394	8.2
Total Discretionary & Managed	63	0.3	376	1.5	714	3.3
Multi-asset funds	98	9.1	222	22.3	291	44.2
Total discretionary and managed service	161	0.7	598	2.3	1,005	4.5

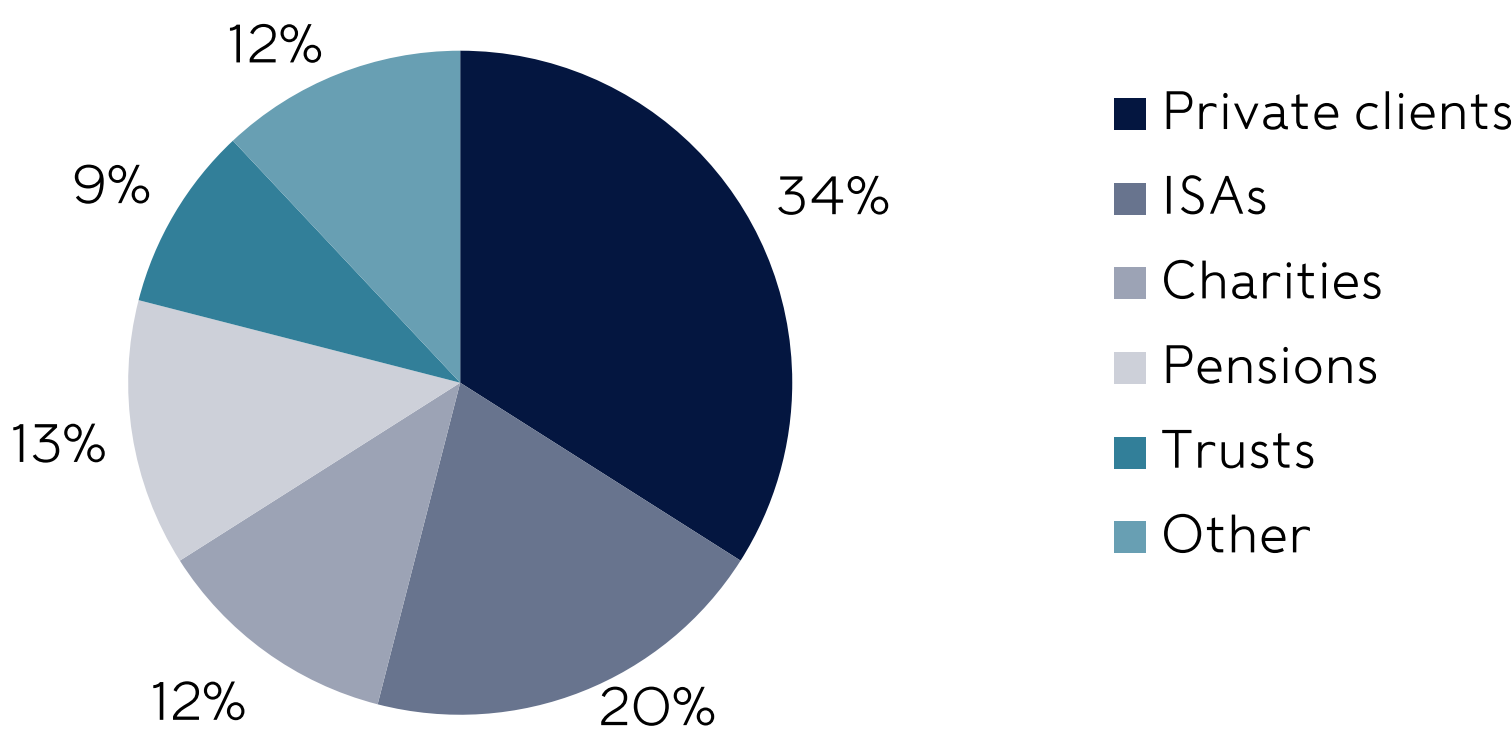
INVESTMENT MANAGEMENT CLIENT BASE

Analysis of funds under management¹

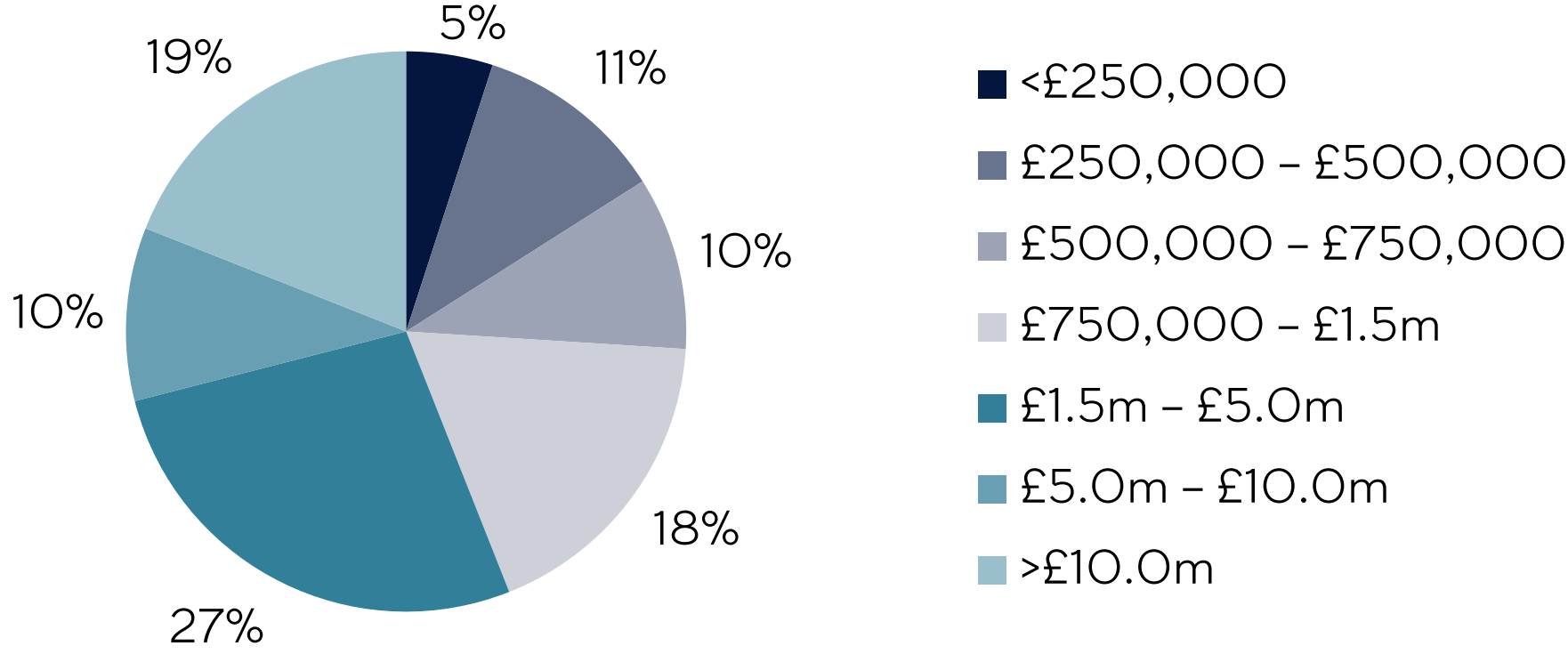
Service level by FUM



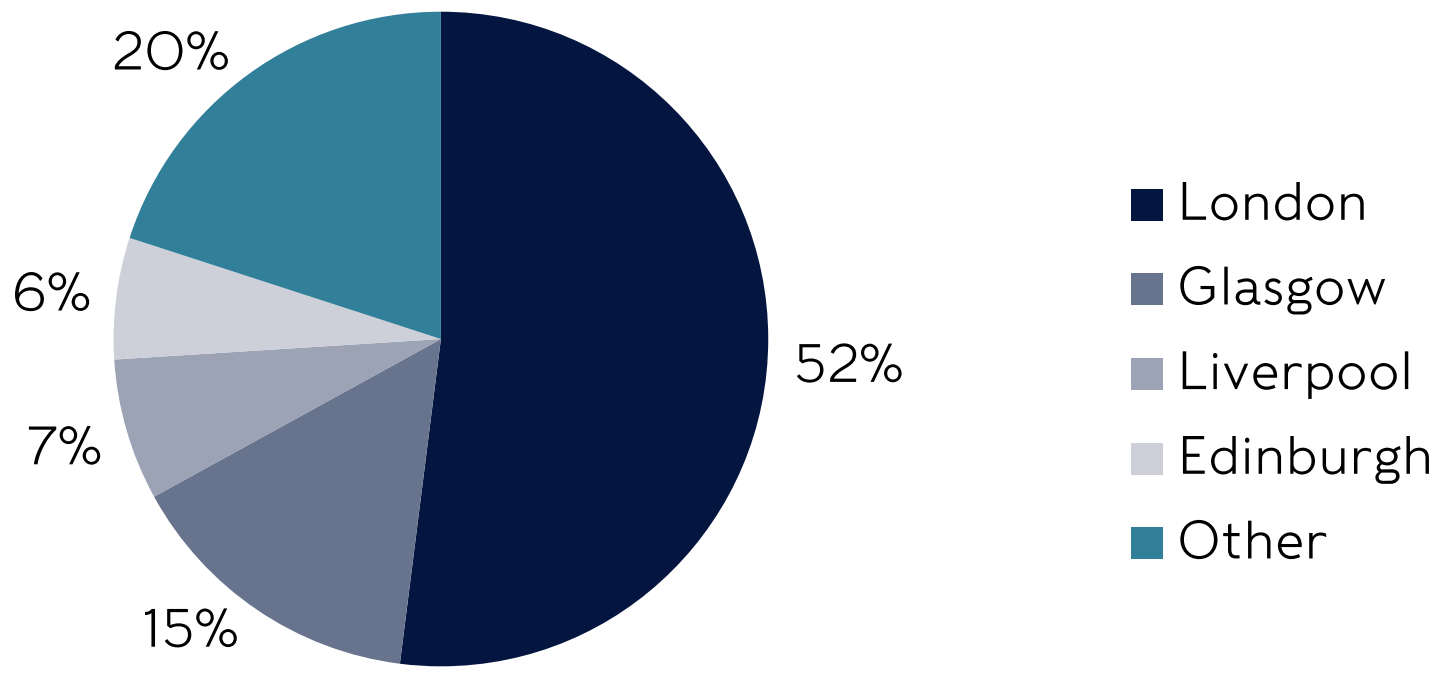
Fund type by FUM



Size of client relationship by FUM

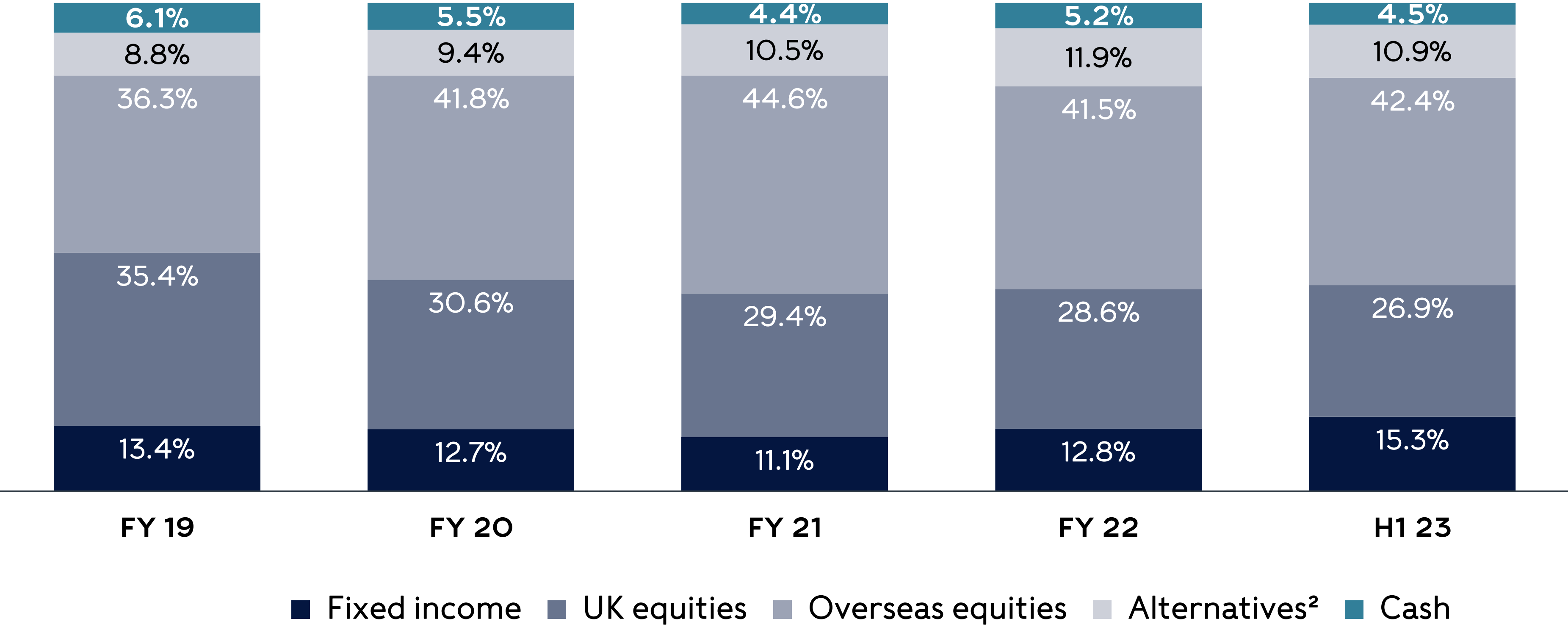


FUM by location



1. As a percentage of total funds under management at 30 June 2023

WHERE OUR CLIENTS' ASSETS ARE INVESTED¹



47%
Direct holdings

53%
Collectives

1. Total Investment Management at Q2 23
2. Including fund of hedge funds and structured products

PERFORMANCE – SINGLE STRATEGY FUNDS

Performance ¹ at 30 June 2023	1 year	3 year	5 year	Size of fund (£m) ⁶
Rathbone Global Opportunities Fund⁴	16.88	19.28	55.26	3,538.6
Sector: IA Global	10.79	27.26	44.14	
Rathbone Income Fund⁴	9.14	33.10	16.72	712.1
FTSE All Share	7.89	33.19	16.54	
Sector: IA UK Equity Income	4.28	30.46	9.92	
Rathbone UK Opportunities Fund^{3,4}	3.98	9.03	-5.56	49.2
Sector: IA UK All Companies	6.2	24.07	7.98	
Rathbone Ethical Bond Fund⁴	-2.90	-10.55	0.11	2,093.6
Sector: IA Sterling Corporate Bond	-4.63	-14.16	-4.15	
Rathbone High Quality Bond Fund⁵	-1.60	-7.99		208.7
Bank of England Base Rate +0.5%	3.67	5.23	7.66	
Rathbone Strategic Bond Fund	-0.73	-5.28	0.52	123.8
Sector: IA Sterling Strategic Bond	-0.19	-4.88	3.98	
Rathbone Greenbank Global Sustainability Fund²	8.06	12.33		66.4
FTSE World GTR	13.46	38.33		

1. Performance figures and indices are stated on a total return basis.

2. Rathbone Global Sustainability Fund launched on 16th July 2018. Formerly known as the Rathbone Global Sustainability Fund. The name was changed to Rathbone Greenbank Global Sustainability Fund on 14th June 2021. Performance is a combination of I-Class Shares and S-Class Shares (where I-Class was unavailable).

3. Formerly known as the Rathbone Recovery Fund. The name was changed to Rathbone UK Opportunities Fund on 23rd October 2017.

4. Performance is a combination of I-Class units and R-Class units (where I-Class was unavailable). I-Class units were launched on 1st March 2012.

5. Performance is a combination of I-Class shares and S-Class shares (where I-Class was unavailable). I-Class shares were launched on 23rd July 2019. (Performance from 19th November 2018).

6. Overall fund (mid-market) value (including all onshore share/unit classes).

PERFORMANCE – MULTI-ASSET FUNDS

Performance ¹ at 30 June 2023 (S-class shares)	1 year	3 years	5 years	Size of fund (£m) ⁵
Rathbone Multi-Asset Total Return Portfolio²	2.29	8.36	16.06	
Bank of England Base Rate +2%	5.22	10.01	15.94	506.3
Volatility as % of FTSE Developed (£) [Target <33%]	44.71	38.61	36.32	
Rathbone Multi-Asset Defensive Growth Portfolio⁴	3.81	10.69		
UK Consumer Price Index +2% ³	10.87	28.43		689.8
Volatility as % of FTSE Developed (£) [Target ≤50.00%]	53.25	50.52		
Rathbone Multi-Asset Strategic Income Portfolio	1.97	9.69	11.59	
UK Consumer Price Index +3% ³	11.95	32.25	43.87	120.1
Volatility as % of FTSE Developed (£) [Target <66%]	63.29	58.11	57.91	
Rathbone Multi-Asset Strategic Growth Portfolio²	6.03	14.80	21.76	
UK Consumer Price Index +3% ³	11.95	32.25	43.87	2,120.1
Volatility as % of FTSE Developed (£) [Target <66%]	70.17	67.87	65.05	
Rathbone Multi-Asset Dynamic Growth Portfolio⁴	8.57	18.59		
UK Consumer Price Index +4% ³	13.04	36.14		288.5
Volatility as % of FTSE Developed (£) [Target ≤83.33%]	79.76	78.98		
Rathbone Multi-Asset Enhanced Growth Portfolio²	10.36	23.78	31.83	
UK Consumer Price Index +5% ³	14.13	40.11	58.39	281.2
Volatility as % of FTSE Developed (£) [Target <100%]	99.85	95.92	90.76	

These funds are part of the volatility managed sector where quartile rankings are prohibited in the Investment Association guidelines.

- 1. Performance figures are stated on a total return basis.
- 2. Performance is a combination of S-Class shares and R-Class shares (where S-Class was unavailable). S-Class shares were launched on 1st October 2012.
- 3. UK Consumer Price Inflation figures quoted with a 1 month lag.
- 4. Rathbone Multi-Asset Defensive Growth Portfolio and Rathbone Multi-Asset Dynamic Growth Portfolio launched on 19 June 2020.
- 5. Overall fund (mid-market) value (including all onshore share/unit classes).

TOTAL CAPITAL EXPENDITURE

Technology and other

- The transition to modern cloud based solutions and ‘software as a service’ operating licenses continues to drive reduced capitalisation, but increased incurred costs in the annual P&L

Property

- Selected plans put on hold in H1 while overall property strategy under the Investec combination is considered
- Capitalisation will increase in H2 or 2024 when overall strategy is determined and implemented

Regulatory

- Spend remains nil as no regulatory projects currently requiring capital expenditure

Capital expenditure (£m)



EARNINGS PER SHARE

	Pre tax (£m)	H1 23 Post tax (£m)	EPS (p) ¹	Pre tax (£m)	H1 22 Post tax (£m)	EPS (p) ²
Underlying profit attributable to shareholders	50.7	38.9	66.4	50.0	39.6	67.6
Charges in relation to client relationships and goodwill	(9.5)	(7.3)	(12.4)	(9.9)	(8.0)	(13.7)
Acquisition-related costs	(15.2)	(11.9)	(20.4)	(7.5)	(6.6)	(11.2)
Profit attributable to shareholders	26.0	19.7	33.6	32.6	25.0	42.7

1. Weighted average number of shares in issue in the year ended 30 June 2023 = 58,538,625
2. Weighted average number of shares in issue in the year ended 30 June 2022 = 58,528,000

SEGMENTAL RESULTS

30 June 2023	Investment Management (£m)	Funds (£m)	Indirect (£m)	Total (£m)
Net investment management fee income	138.8	31.1	-	169.9
Net commission income	23.7	-	-	23.7
Net interest income	22.2	0.8	-	23.0
Fees from advisory services and other income	21.0	0.4	-	21.4
Operating income	205.7	32.3	-	238.0
Staff costs – fixed	(59.5)	(3.7)	(25.1)	(88.3)
Staff costs – variable	(31.7)	(5.3)	(6.9)	(43.9)
Other direct expenses	(32.2)	(6.3)	(41.3)	(79.8)
Allocation of indirect expenses	(52.9)	(7.4)	60.3	-
Profit before tax	29.4	9.6	(13.0)	26.0
30 June 2022	Investment Management (£m)	Funds (£m)	Indirect (£m)	Total (£m)
Net investment management fee income	139.4	32.1	-	171.5
Net commission income	26.9	-	-	26.9
Net interest income	6.1	-	-	6.1
Fees from advisory services and other income	27.7	(0.3)	-	27.4
Operating income	200.1	31.8	-	231.9
Staff costs – fixed	(54.5)	(3.8)	(21.3)	(79.6)
Staff costs – variable	(34.8)	(7.0)	(2.4)	(44.2)
Other direct expenses	(38.7)	(5.2)	(31.6)	(75.5)
Allocation of indirect expenses	(50.1)	(4.1)	54.2	-
Profit before tax	22.0	11.7	(1.1)	32.6

ANALYSING THE BALANCE SHEET

Assets	30/06/23 (£'000)	30/06/22 (£'000)
Cash and balances with central banks	1,141,926	1,683,670
Settlement balances	215,119	137,672
Loans and advances to banks	139,481	186,206
Loans and advances to customers ¹	143,374	189,960
Investment securities – fair value through profit or loss	3,081	11,906
Investment securities – amortised cost	1,233,827	829,970
Prepayments, accrued income and other assets	152,323	124,260
Property, plant and equipment	10,865	14,012
Right-of-use assets	37,268	41,606
Current tax asset (UK)	9,163	6,167
Retirement benefit asset	7,002	15,887
Intangible assets	347,163	365,245
Total assets	3,440,592	3,606,561

- Banking operational and shareholder cash
- Working capital
- Financing related
- Equity capital related

Liabilities	30/06/23 (£'000)	30/06/22 (£'000)
Deposits by banks	17,173	19,587
Settlement balances	211,188	139,916
Due to customers	2,377,131	2,582,703
Accruals and other liabilities	98,561	122,799
Provisions	19,210	10,984
Lease liabilities	48,858	52,739
Current tax liabilities (overseas)	363	275
Net deferred tax liability	9,880	11,523
Subordinated loan notes	39,890	39,892
Total liabilities	2,822,254	2,980,418

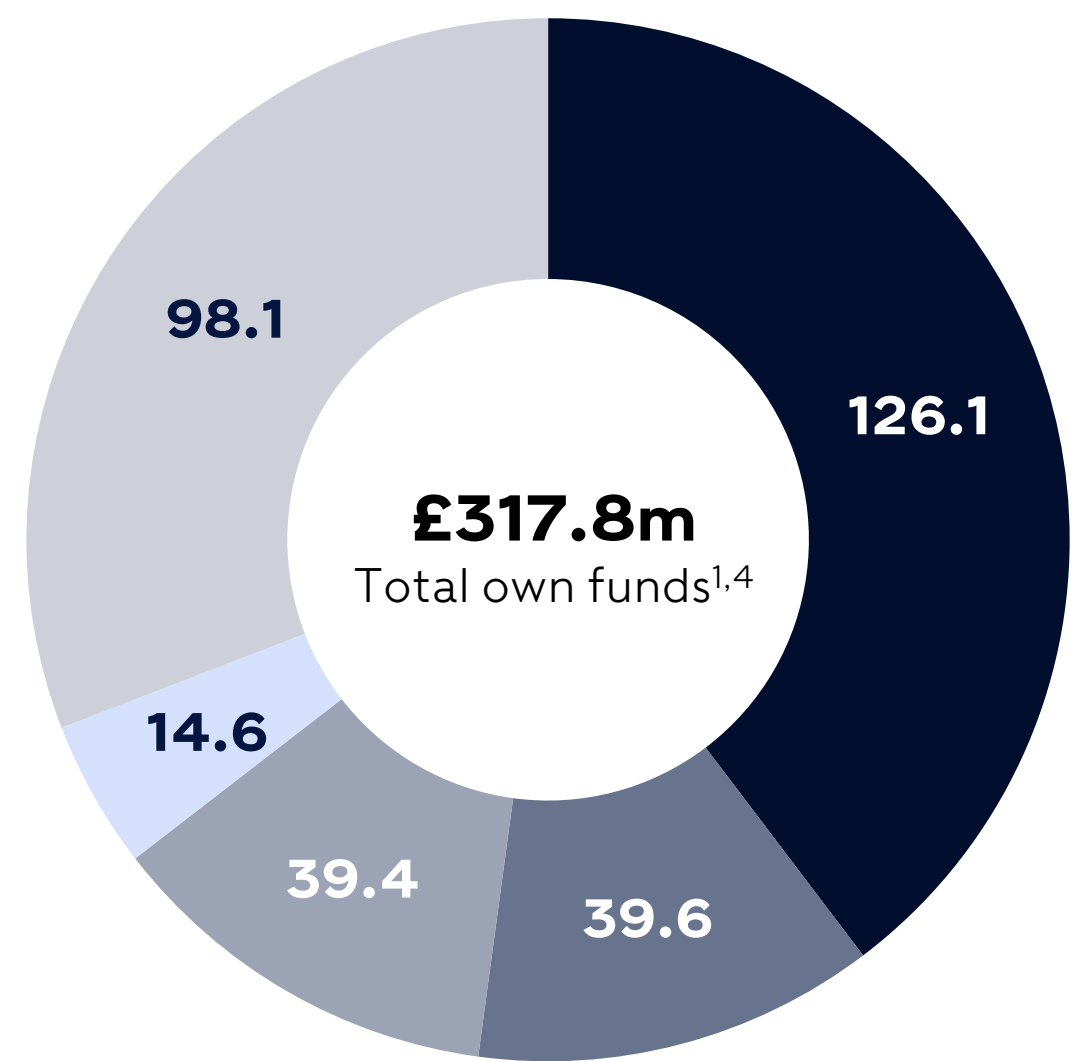
Equity	30/06/23 (£'000)	30/06/22 (£'000)
Called up share capital	3,172	3,152
Share premium/other reserves	339,939	335,526
Retained earnings	275,227	287,465
Total equity	618,338	626,143

Total liabilities and equity	3,440,592	3,606,561
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1. Loans and advances to customers largely consist of the investment management loan book, but also include overdrafts, trust and financial planning debtors and other debtors

CAPITAL RATIOS

H1 23 (£m)



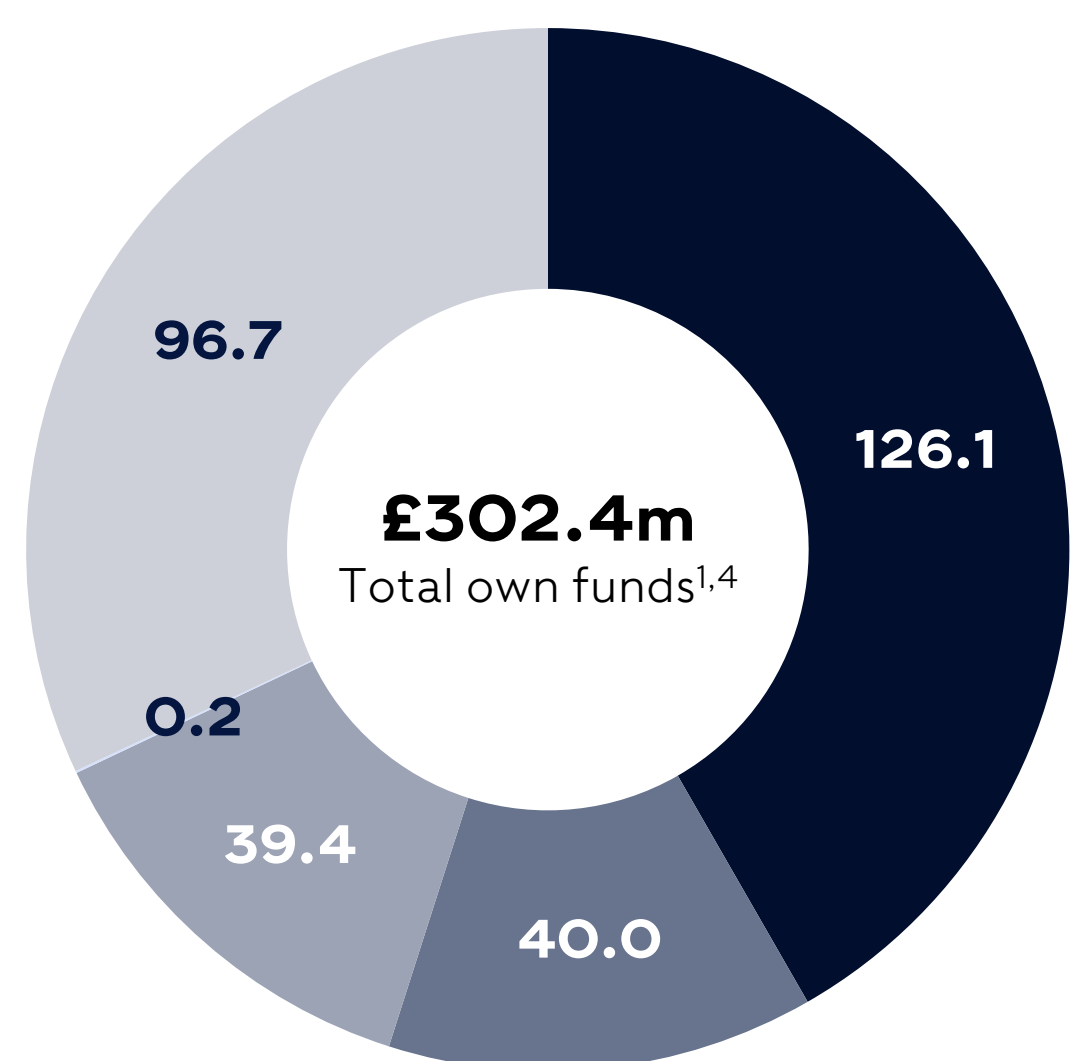
Total risk exposure amount
(risk-weighted assets)
£1,576m

CET1 ratio²
17.6%

Consolidated leverage ratio³
13.1%

- Pillar 1 requirement
- Pillar 2A requirement
- Capital conservation buffer
- Countercyclical capital buffer
- Surplus after Total Capital Requirement and Combined Buffer ⁵

H1 22 (£m)



Total risk exposure amount
(risk-weighted assets)
£1,576m

CET1 ratio²
16.7%

Consolidated leverage ratio³
16.1%

- Pillar 1 requirement
- Pillar 2A requirement
- Capital conservation buffer
- Countercyclical capital buffer
- Surplus after Total Capital Requirement and Combined Buffer ⁵

1. For a reconciliation between total equity and total own funds, see slide 37

2. Common Equity Tier 1 capital as a proportion of total risk exposure amount

3. Tier 1 capital resources as a percentage of total assets, excluding intangible assets and investment in associates, plus a proportion of off balance sheet exposures

4. H1 23 total Common Equity Tier 1 own funds: £277.8m; H1 23 tier 2 own funds: £40.0m; H1 22 total Common Equity Tier 1 own funds: £262.4m; H1 22 tier 2 own funds: £40.0m

5. Any additional firm specific buffer remains confidential between the group and the PRA

6. The capital conservation buffer is a loss provision in the event of a stress

RECONCILIATION OF EQUITY TO TOTAL OWN FUNDS

	H1 23 (£m)	H1 22 (£m)
Equity		
— Share capital and share premium	313.9	307.0
— Reserves	337.3	351.4
Less:		
–Own shares	(47.8)	(45.3)
— Intangible assets ¹	(318.6)	(334.8)
— Retirement benefit asset	(7.0)	(15.9)
Total common equity tier 1 own funds	277.8	262.4
Tier 2 own funds	40.0	40.0
Total own funds	317.8	302.4

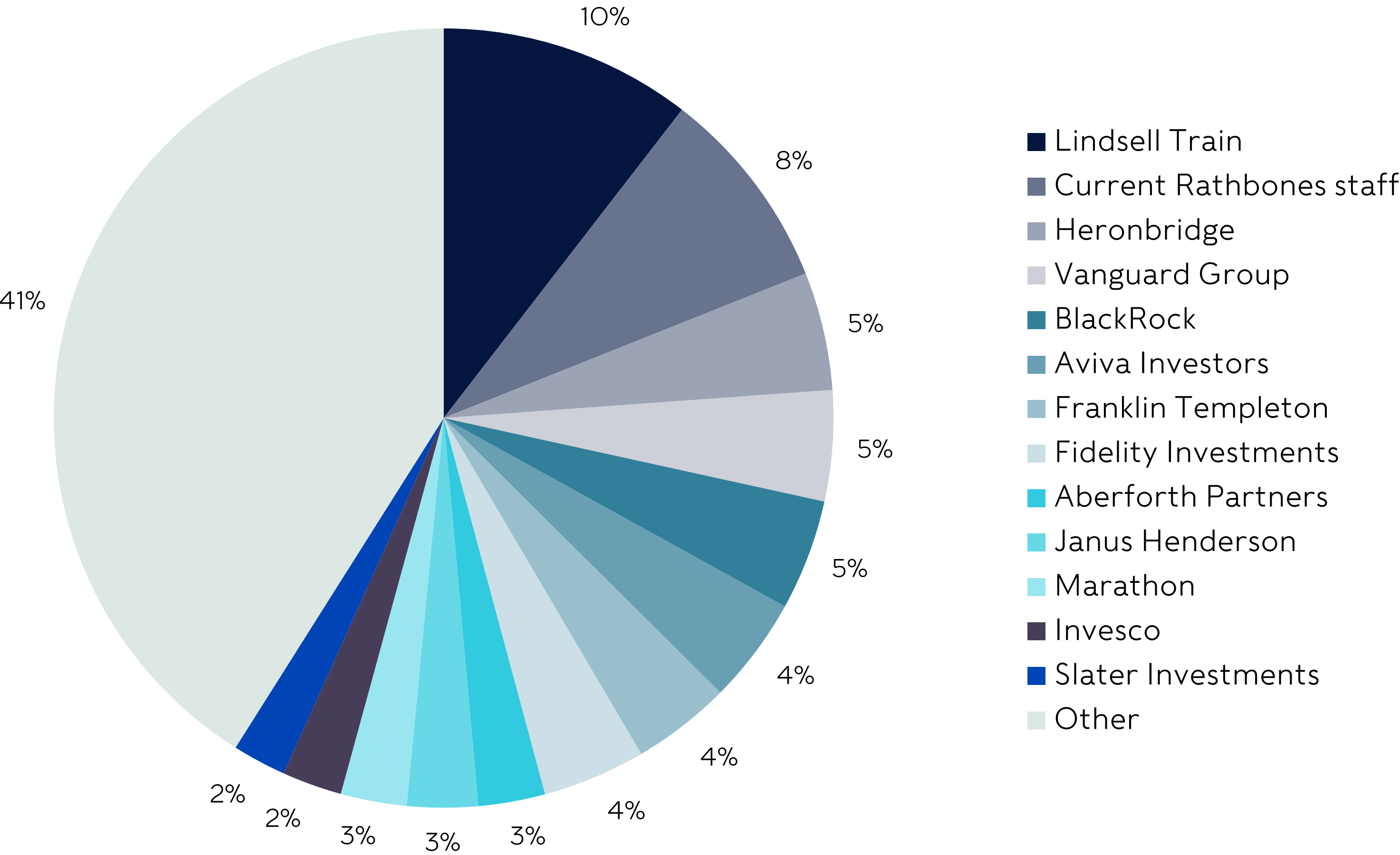
1. Net book value of goodwill, client relationship intangibles and software are deducted directly from capital resources (net of any related deferred tax liabilities)

INVESTMENT MANAGEMENT – NUMBER OF INVESTMENT MANAGERS AND FUMA PER OFFICE

Office location	Number of investment managers ¹	Investment management funds under management and administration (£bn at 30/06/23)
London	152	23.4
Glasgow	53	6.6
Liverpool	32	3.2
Edinburgh	29	2.9
Other offices ²	97	9.3
Total	363	45.4

1. As at 30 June 2023, excluding 24 fund managers in the Funds business
2. Including: Aberdeen, Birmingham, Bristol, Cambridge, Chichester, Exeter, Kendal, Lymington, Newcastle, Winchester and the Rathbone Investment Management International office in Jersey

SHAREHOLDERS AT 30 JUNE 2023



APPENDIX: RESPONSIBLE BUSINESS AT RATHBONES

Our alignment with the Sustainable Development Goals



Pillar	Highlights from H1 23	
Responsible investment	<ul style="list-style-type: none">Published voting season reviewListed as a signatory of the Stewardship Code and published our statement55% of clients interacting with MyRathbonesResolutions voted on behalf of clients – 8619Stewardship engagements undertaken 646Votes Against Slavery now up to 132 global investors with £8.03trn, and a very successful year. All 29 contacted companies responded, by the middle of the year, 21 had made changes following our direct engagement. The success of Votes Against Slavery was reflected in an award for 2022 'Stewardship Initiative of the Year' from the UN-backed Principles for Responsible Investment.	<ul style="list-style-type: none">Gender and racial diversity – in Q1, we wrote to 30 premium listed companies identified as falling short in one or more areas with regards to the FCA’s new listing rules around diversity. Of 30 identified non-compliant companies, 27 responded.Unlisted collectives: We wrote to 20 collective holdings asking for disclosure around their approach to ESG, 18/20 responded.QCA Code: We wrote to 75 companies that claim compliance against the QCA Code, stressing the importance of compliance. 72/75 responded.Biodiversity: 34/52 companies we have written to so far have respondedNet Zero: 34/40 companies we have written to so far have responded



ESG rating: AAA



ESG risk rating: 20.8/100
(medium risk)



Climate score: B



Strategy Investment and
Stewardship Policy: 4/5 stars

APPENDIX: RESPONSIBLE BUSINESS AT RATHBONES CONTINUED

Our alignment with the Sustainable Development Goals



Pillar	Highlights from H1 23	
Our people	<ul style="list-style-type: none">— Our diversity, equality and inclusion plan is now being delivered primarily through our established inclusion networks— Third year support of #10,000 Black Interns— Signed the Armed Forces Covenant— Confirmed sponsor of Liverpool Pride 2023	<ul style="list-style-type: none">— Achieved an employee net promotor score of 39 (compared to the Peakon benchmark of 22)— For the third year we sponsored the National Diversity Awards— Increased our percentage of women in senior management to 30% as at 31 December 2022 (up from 28% in 2021)
Society and communities	<ul style="list-style-type: none">— Continued to engage our suppliers through our ESG review, looking to increase the 69% response rate in 2022— Benchmarked our suppliers for alignment with the science-based targets initiative— At FY 22, 99% of employees allocated anti-bribery and corruption training completed it	<ul style="list-style-type: none">— Gave over £250,000 to charitable causes in H1 2023— Confirmed the winner of the Climate Prize in the Global Innovation Challenge, with Social Shifters— Continue to support Young Enterprise in their 60th year expanding Rathbones’ work on financial education
Our environmental impact	<ul style="list-style-type: none">— Over 68,000 documents downloaded from MyRathbones rather than posting a hard copy— Improved our 2022 CDP score to a B	<ul style="list-style-type: none">— Partnered with Climate Impact Partners to purchase and retire credits for our 2022 operational footprint— Reviewed our data collection methodology

INVESTMENT MANAGEMENT – ANNUAL MANAGEMENT FEES FOR DIRECT PRIVATE CLIENTS¹

Our fee is completely transparent and we do not charge:

- Fixed and minimum fees
- Dealing and commission charges
- Third party brokerage charges
- Set-up and exit fees
- Transfer in or out charges
- Custody or platform fees
- Performance fees

Discretionary management fees (subject to VAT)	Applied across main funds and ISA funds (pa) ²
First £250,000	1.20%
Next £500,000	1.00%
Next £750,000	0.75%
Balance over £1,500,000	0.50%
Illustration of fees (how our management fees are applied to a portfolio of £400,000 VAT should be added)	
£250,000 charged at 1.20%	£3,000
£150,000 charged at 1.00%	£1,500
Total annual management fee	£4,500

1. With effect from 1 January 2015 for new clients only
2. Management fees are calculated on the aggregate value of a defined group of related funds

IMPORTANT INFORMATION

The value of investments and the income from them may go down as well as up and you may not get back your original investment. Past performance should not be seen as an indication of future performance. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase.

Information valid at date of presentation.

Tax regimes, bases and reliefs may change in the future.

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