

Ninety One plc
Incorporated in England and Wales
Registration number 12245293
Date of registration: 4 October 2019
LSE share code: N91
JSE share code: N91
ISIN: GBO0BJHPLV88

Ninety One Limited
Incorporated in the Republic of South Africa
Registration number 2019/526481/06
Date of registration: 18 October 2019
JSE share code: NY1
ISIN: ZAE000282356

Results for the year ended 31 March 2020

This short form announcement is the responsibility of the directors and represents only a summary of the information contained in the full announcement. Any investment decisions made by investors and/or shareholders should be based on consideration of the full announcement.

This summarised report is extracted from reviewed information but is not itself reviewed. The reviewed annual financial statements and the review report are available for inspection at the Company's registered offices.

The full announcement is available on the Company's website at: <https://ninetyone.com/2020-results-documents> and on the JSE website at: <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/N91E/NinetyOne.pdf>.

Copies of the full announcement may be requested by contacting Investor Relations at IR@ninetyone.com.

Highlights

- This was a year of meaningful progress in the strategic positioning of Ninety One as an independent, focused investment manager with significant employee ownership. We executed a demerger and listing, with an exciting new brand.
- We delivered net inflows of £6.0 billion, in line with the prior year, representing a torque ratio of 5.4%.
- Assets under management reduced 7% to £103.4 billion.
- Profit before tax increased 11% to £198.5 million.
- Basic earnings per share increased 11% and adjusted earnings per share increased 10%.
- Short-term investment performance was negatively affected by the extreme market correction in March 2020.
- Employees now own more than 21% of Ninety One, which leaves us even better aligned with our clients and shareholders.
- In response to the COVID-19 pandemic, we prioritised the wellbeing of our people and did not furlough or make redundant any of our staff. We contributed £2.9 million to relief efforts.

Key financials	Full year 2020	Full year 2019	Change %
Assets under management (£'bn)	103.4	111.4	(7)
Net flows (£'bn)	6.0	6.1	(1)
Net revenue (£'m)	609.9	556.9	10
Adjusted operating revenue (£'m)	588.0	540.6	9
Adjusted operating margin	32.3%	31.9%	n.m.
Profit before tax (£'m)	198.5	178.4	11
Basic earnings per share (p)	16.8	15.1	11
Headline earnings per share (p)	16.8	15.0	12
Adjusted earnings per share (p)	16.1	14.6	10

Hendrik du Toit, Founder and Chief Executive Officer, commented:

"Last year was a momentous year for Ninety One. We ended our twenty-ninth year in business with record earnings, a quality client base from across the world, highly motivated people and an experienced leadership team, but were challenged by the consequences of the COVID-19 pandemic.

During the last month of the 2020 financial year, we successfully demerged from Investec, listed on the London and Johannesburg Stock Exchanges, and rebranded as Ninety One. Significantly, all staff are now shareholders and the people

who work in the firm collectively own more than 21% of the equity of Ninety One. This was a pivotal period in the evolution of our business. While these developments support our proposition as an independent investment manager with significant employee ownership, it is important to emphasise the stability of our staff and the continuity our long-term strategy, which underpin the success of our business.

These developments took place in the face of extreme market volatility and weakened economic prospects, which we expect to endure for some time. The resilience of our people and technology enabled us to provide all our clients with uninterrupted service and intensified engagement. We successfully facilitated remote working for our staff to ensure their wellbeing just days after the demerger and listing. Ninety One is committed to doing its best for all stakeholders in the ongoing battle against this pandemic and its devastating economic consequences. We will do this by remaining focused on our clients and the investments we make on their behalf. We will engage and support the companies we invest in, care for our people and contribute to the societies we serve.”

Strategy and opportunities

Although the past year is correctly characterised as eventful, our strategy remains consistent. Ninety One continues to provide a range of specialist, active strategies to its global client base. The business is differentiated from the competitor universe by its blend of global and emerging markets investment expertise. With its origins in emerging markets, Ninety One remains committed to participating in the well-established, structural trend of increased representation of these markets in major indices, in line with their growing weight in the total world economy. Our investment approach combines this perspective with a global approach to investing, free from “home bias”. The near-term challenges facing emerging markets, relating to the COVID-19-triggered downturn, have not changed our long-term view. On the contrary, we expect the next few years to provide our investors with compelling long-term opportunities in both developed and emerging markets and risk assets in general. The stable and experienced investment teams at Ninety One are motivated to make the most of these opportunities for our clients and shareholders.

Outlook

As we look ahead to the new year, we recognise the challenging market conditions and competitive environment which we face.

Our well-tested and diverse set of investment capabilities are in areas relevant to our clients, as evidenced by recent flows. We have solid bridgeheads into the largest markets in the world and we have maintained positive momentum in our original markets. We expect the appetite for risk assets to increase over time as the extreme volatility recedes and we see abundant opportunities for alpha generation for our clients. Notwithstanding these opportunities, we expect significant revenue pressure in the coming period. Our response will be one of strict prioritisation and cost discipline, but without impairing our ability to serve our clients in these uncertain times.

Ninety One is committed to doing its best for all stakeholders in the ongoing battle against the COVID-19 pandemic and its devastating economic consequences. We will do this by remaining focused on our clients and the investments we make on their behalf. We recognise the key to our long-term growth is maintaining client relevance and delivering investment performance. Furthermore, we will engage and support the companies we invest in, care for our people and contribute to the societies we serve.

We believe our staff stability and strategic clarity position us well for the long term. We intend to use this moment of market and economic dislocation to inspire ourselves to build a better firm, develop better ways of investing and renew our commitment to building a better world. The people of Ninety One fully intend to pursue our purpose of investing for a better tomorrow.

Finally, I would like to thank our clients, shareholders, regulators, board of directors and all the people at Ninety One for their support through this time of change.

Dividends

Prior to the demerger, Ninety One paid its final dividends. The Ninety One board of directors recommended no further ordinary or special dividends for the 2020 financial year.

Looking ahead, Ninety One expects to target an ordinary dividend payout ratio of at least 50% of its profit after tax. We will consider paying a special dividend, which will comprise surplus retained earnings not needed for regulatory or specific investment needs, as well as a reasonable buffer as agreed with our board of directors.

There are no plans to increase the current number of shares in issue.

Adjusted measures presented in this announcement

Adjusted operating revenue is calculated as net revenue, less Silica third-party revenue, and adjusted for foreign exchange gains/losses, deferred employee benefit scheme movements, and other income.

Adjusted operating margin is calculated as adjusted operating profit divided by adjusted operating revenue.

A full description of alternative performance measures, including the reconciliation, is included on pages 14 and 15 of the full announcement.

For further information please contact:

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Investor presentation

A presentation to investors and financial analysts will be made via live webcast at 9.00 am (UK time) on 20 May 2020. The webcast link is available at <https://ninetyone.com/full-year-results>.

A copy of the presentation will be made available on the company's website at <https://ninetyone.com/2020-results-documents>. The integrated annual report will be published in July 2020 and will be available at <https://ninetyone.com/2020-results-documents>.

About Ninety One

Ninety One is an independent investment manager, founded in South Africa in 1991. It now operates and invests globally and offers a range of active strategies to its global client base.

Ninety One is listed on the London and Johannesburg Stock Exchanges.

Forward-looking statements

This announcement does not constitute or form part of any offer, invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in Ninety One plc and its subsidiaries or Ninety One Limited and its subsidiaries (together, "Ninety One"), nor should it be construed as legal, tax, financial, investment or accounting advice.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Ninety One's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Ninety One's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

Ninety One expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement or any other forward-looking statements it may make whether as a result of new information, future developments or otherwise.

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