

LEI: 549300XVXU6S7PLCL855

For immediate release

8 July 2020

**LIONTRUST ASSET MANAGEMENT PLC
FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2020**

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 2020.

Results:

- Adjusted profit before tax of £38.1 million (2019: £30.1 million), an increase of 26%
- Adjusted diluted earnings per share of 56.7 pence per share (2019: 46.9 pence per share), an increase of 21%
- Profit before tax of £16.5 million (2019: £22.2 million (restated)), a decrease of 26%, see note 5 below for a reconciliation to adjusted profit before tax
- Revenues of £107 million (2019: £85 million), an increase of 26%

Dividend:

- Second Interim dividend per share of 24.0 pence (2019: 20.0 pence), which will be payable on 21 August 2020. This brings the total dividend per share for the financial year ending 31 March 2020 to 33.0 pence (2019: 27.0 pence), an increase of 22%

Assets under management and advice:

- On 31 March 2020, assets under management and advice ("**AuMA**") were £16.1 billion (2019: £12.7 billion), an increase of 27%
- AuMA as at close of business on 30 June 2020 were £19.3 billion

Flows:

- Net inflows for the year to 31 March 2020 of £2,695 million (2019: £1,775 million)

Proposed acquisition

- On 1 July 2020 announced the proposed acquisition of Architas-Multi Manager Limited and Architas Advisory Services Limited (together "**Architas UK Investment Business**") for a total consideration of up to £75 million

Commenting, John Ions, Chief Executive, said:

"This is my 11th set of Annual Results, marking 10 years as Chief Executive of Liontrust. It has and continues to be a business that I am incredibly proud of.

We have grown Liontrust from around £1 billion of AuMA to £25 billion when the deal for the Architas UK investment business completes later this year, leading us to enter the FTSE250 in June.

I count myself incredibly fortunate to work for a company with so many talented individuals across all areas of the business. The determination, drive and professionalism shown on a daily basis would serve any company well.

This has been another very positive year for Liontrust with record sales and strong fund performance. The strength of our investment teams was highlighted by the SF Managed and SF Cautious Managed funds both winning at Investment Week's recent Fund Manager of the Year Awards.

It has also been a year in which we have all been challenged above and beyond our normal experiences. Covid-19 and the near shut down of the UK has brought many external influences in to play. We are not alone in this and in some ways very fortunate that our business has been able to adapt more easily than others to quarantine and remote working.

I am incredibly proud of the way the business has adapted to these challenges. The success of this year is down to the can-do attitude of the people within your Company.

There are many things we have learned and many things to think about and act upon in the years to come. In the early stages of the pandemic, I said we were experiencing five years of change in five weeks.

Among the things we must learn is the need to build a brighter future, and we as an industry have a vital role to play. As guardians of our clients' assets we must work harder to engage with the companies we invest in to ensure more positive outcomes. From climate change and its socio-economic impact to diversity there is much more we need to do. If we are to take positives from this experience, it is that we can act now to shape a better future."

For further information please contact:

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Chairman's Statement

Introduction

This is my first Statement on Liontrust's Full Year Results as your Chairman and I would never have anticipated just a few long months ago that it would be written under such circumstances. While the successful momentum of Liontrust has continued since I became Chairman last September and, more significantly, through the Covid-19 pandemic, the world is confronting issues that will have a long-term impact on asset managers, along with other industries. This affects us both as investors and as a company.

Before I address some of the issues, I want to welcome Mandy Donald, who joined the Board in September. She has already made a significant contribution as a Non-executive Director and will continue to do so into the future.

I also want to congratulate John Ions and Vinay Abrol as Chief Executive and CFO/COO on their leadership and achievements over the past decade. This has culminated in Liontrust joining the FTSE250 in June and successfully navigating Covid-19.

The pandemic and subsequent lockdown have created challenges for all businesses in every industry. I and the rest of the Board have been impressed by how well our business moved to remote working and everyone at Liontrust has risen to the challenge with professionalism while maintaining productivity levels. The Directors would like to thank everyone at Liontrust for their dedication and energy especially as lockdown followed just five months after our acquisition of Neptune.

This achievement reflects well on the development of Liontrust over the past few years, the processes that have been in place and the quality of our fund managers, partners and employees. I am pleased to be able to report that it has been another successful year for your company. The continued positive net inflows, the growth in assets under management and the profitability of the business are testament to the strong position the company is in.

The fact that Liontrust is in such good shape, along with the quality of the investment teams and their processes, gives me confidence about the resilience of the business as we head into a particularly uncertain economic environment.

While everyone's attention has been focused on Covid-19 for the past few months, the climate crisis still threatens the long-term health of the planet and therefore of our well-being. We all expect and hope for a greater focus on our relationship with nature and biodiversity going forward; and we were pleased Liontrust was able to provide enhanced support for ZSL during lockdown at a time when the organisation had no income.

Sustainability is an important issue for the Board. John Ions sets out the targets the Board wants the company to achieve in Liontrust's first Sustainability Report to be published in July 2020. These targets cover being a responsible investor, climate change, having a diverse and talented staff, and being a good corporate citizen.

Diversity and equality of opportunity is another key issue that the Board is addressing. The world is being confronted by the reality that the black community still faces inequality and discrimination. Society has a great deal more to do, as does the asset management industry, in enabling black men and women to realise their full potential.

At Liontrust, we seek to promote career progression and eradicate any hurdles that anyone feels they face; in particular, we seek to eliminate unconscious bias whether in recruitment or any other aspect of the business.

Liontrust is also committed to having a positive impact on society such as through charitable initiatives to provide education and employment opportunities across ethnic and social groups, including the black community, to promote greater equality.

Liontrust continues to make significant progress. This success puts us in a good position to have a positive impact on investors, stakeholders and society over the next few years.

Results

Profit before tax is £16.508 million (2019: £22.172 million), a decrease of 26%. The Profit before tax for the financial year ended 31 March 2020 includes £9.7 million of acquisition and re-organisation related costs incurred as a result of the acquisition of Neptune Investment Management Limited (“**Neptune**”) which completed on 1 October 2019, see note 5 below for further information.

Adjusted profit before tax was £38.054 million (2019: £30.093 million). Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group excluding non-cash (depreciation, intangible asset amortisation and share incentivisation related) expenses and non-recurring (professional fees relating to acquisition, cost reduction, restructuring and severance compensation related) expenses (“**Adjustments**”), see note 5 below for a reconciliation of adjusted profit before tax.

Dividend

The success in fund performance and distribution has resulted in a 52% increase in net inflows, a 27% increase in assets under management and a 26% increase in revenues excluding performance fees when compared to last year. This has enabled the Board to declare a second interim dividend of 24.0 pence per share (2019: 20.0 pence), which will be payable on 21 August 2020 to shareholders who are on the register as at 17 July 2020, the shares going ex-dividend on 16 July 2020. The total dividend for the financial year ending 31 March 2020 is 33.0 pence per share (2019: 27.0 pence per share), an increase of 22% compared with last year.

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 31 July 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.linkassetservices.com/shareholders-and-investors/dividend-reinvestment-plan. (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).

Alastair Barbour
Chairman
7 July 2020

Chief Executive's Statement

Introduction

It has been another successful year for Liontrust, with the business making further significant progress.

Liontrust delivered record net positive inflows of £2.7 billion for the 12 months to 31 March 2020, taking our assets under management and advice (AuMA) to £16.1 billion. We generated strong net positive inflows of £492 million during the first three months of 2020 despite the spread of Covid-19 and lockdowns being imposed around the world.

This success led to Liontrust having the 6th highest net retail sales in the UK in 2019 and we had the 5th highest in the first quarter of 2020, according to the Pridham Report.

These sales are testament to the excellence of our investment teams and processes, the loyalty of our clients, the power of our brand and the strength of our sales and marketing capability.

There is increasing focus on environmental, social and governance (ESG) in people's lives, society and companies, and Liontrust is committed to integrating sustainability throughout our business. The first-ever Liontrust Sustainability Report is being published in July 2020, which provides detailed information about how we are managing the company to ensure we have a positive impact on clients, stakeholders and society. In the Report, we have set out our priorities and targets for being a responsible investor, climate change, having diverse and talented staff, and being a good corporate citizen.

These priorities and targets include providing the tools, training and resources for all our investment managers to consider ESG in their decision-making processes, including material ESG factors in our risk framework and to engage and push for positive change where we have concerns.

Liontrust disclose our scope 1 and 2 emissions as well as some scope 3 emissions including travel. We are working to be in a position to disclose those of our key outsourced providers and our investments next year. We are developing an absolute reduction target by the end of this year that is to be met by 2025.

We are also committed to diversity across the Company as we believe this enhances the performance of businesses and leads to better decision-making.

The Sustainable Investment team has demonstrated for nearly 20 years that its investment process can deliver superior returns over conventional funds. All eight of the UK-domiciled equity and managed funds run by the team are in the 1st quartile of their respective IA sectors over one, three and five years to 31 March 2020.

The benefits of active managers applying rigorous investment processes is also shown in the long-term performance of our other teams. The Economic Advantage team's UK Growth, Special Situations and UK Smaller Companies funds are in the 1st quartile of their respective IA sectors over one, three, five years and since launch or they took over to 31 March 2020.

The team's other fund, UK Micro Cap, was launched in March 2016 and is in the 1st quartile of the IA UK Smaller Companies sector over one, three years and since launch. The team of Anthony Cross, Julian Fosh, Victoria Stevens and Matt Tonge was strengthened in March by Alex Wedge joining from N+1 Singer, where he was a senior member of the equity sales team.

We have successfully integrated Neptune Investment Management and rebranded the fund managers as the Liontrust Global Equity team. They have strengthened our equity income capability and added global equity and emerging markets funds. We have seen increasing demand for a number of the team's funds over recent months, including Income, Global Dividend and Global Equity, and are confident that we will be growing their assets over the next year.

Despite the challenges and headwinds of the past few months facing all companies, everyone at Liontrust has reacted quickly and efficiently, showing the robustness of our business processes.

Communication with our clients and stakeholders has been key to maintaining momentum. Our investment teams held eight webinars between 19 March and 3 April alone. By mid-June, we had hosted a total of 45 webinars, for which we had had 5,855 viewings.

The Sales and Marketing teams have been communicating regularly with our clients, including through written updates and articles, which have been emailed directly and distributed through our partners and platforms. The success of this engagement has been shown by a 70% increase in visits to the Liontrust website compared to this time last year.

The pandemic and other recent events have also highlighted our responsibility to society, whether it is the need to ensure diversity and tackle inequality which has been so well articulated by the black community or helping the vulnerable and less fortunate. We were proud to work with our community partners to provide extra support during lockdown, including to children of vulnerable families, food banks, the homeless and ZSL London Zoo.

Our numeracy project with Newcastle United Foundation, called Financial Football, has also progressed. By February, the project, which involves interactive games around football, had worked with 14 schools and 700 pupils. These games empower children to feel more confident about money and it is wonderful to see their increased engagement with numeracy.

Assets under management and advice

On 31 March 2020, our AuMA stood at £16,078 million 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	6,316	190	5,956	-	170
Sustainable Investment	5,060	33	4,643	-	384
Global Equity	2,099	229	1,870	-	-
Multi-Asset	840	-	-	840	-
Cashflow Solution	815	536	209	-	70
Global Fixed Income	668	-	330	-	338
European Income	107	-	107	-	-
Macro Thematic	88	-	88	-	-
Asia Income	85	-	72	-	13
Total	16,078	988	13,275	840	975

Flows

Liontrust has recorded net inflows over the twelve months to 31 March 2020 of £2,695 million (2019: £1,775 million). A reconciliation of fund flows and AuMA over the year to 31 March 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 2019	12,655	845	10,317	844	649
Net flows	2,695	74	2,129	102	390
Market and Investment performance	(2,005)	(270)	(1,565)	(106)	(64)
Acquisitions (Global Equity team)	2,733	339	2,394	-	-
Closing AuMA - 31 March 2020	16,078	988	13,275	840	975

Outlook

Liontrust is well positioned to navigate and recover from the pandemic, both health wise and economically.

We have assembled a strong range of funds and portfolios across equities, fixed income, multi-asset and sustainable, and we focus on robust and repeatable investment processes to enable us to meet investor expectations. Performance is never predictable, but process should always be.

The excellent fund performance and increasing profile of our team means we can continue to benefit from the growing demand for sustainable investing over the next few years.

The expansion of our investment solutions is continuing through our Multi-Asset target risk portfolios, Sustainable Managed and our equity income funds. This is another part of the market where we expect increasing growth in demand among financial advisers.

We are also benefiting from the loyalty of clients because of the power of our brand, excellent service and communications, and robust administration. This all gives me confidence that Liontrust will maintain our positive momentum.

John Ions
Chief Executive
7 July 2020

Consolidated Statement of Comprehensive Income

		Year ended 31-Mar-20	Year ended 31-Mar-19 (restated)
	Note	£'000	£'000
Revenue	3	124,025	97,556
Cost of sales	3	(17,393)	(12,924)
Gross profit		106,632	84,632
Realised profit on sale of financial assets		-	25
Unrealised loss on financial assets		(283)	-
Contingent consideration		-	(88)
Administration expenses	4	(89,711)	(62,407)
Operating profit		16,638	22,162
Interest receivable		18	10
Interest payable		(148)	-
Profit before tax		16,508	22,172
Taxation		(3,544)	(2,108)
Profit for the year		12,964	20,064
Other comprehensive income:		-	-
Total comprehensive income		12,964	20,064

		<i>Pence</i>	<i>Pence</i>
Earnings per share			
Basic earnings per share	6	24.68	39.98
Diluted earnings per share	6	23.87	38.59

Consolidated Balance Sheet as at 31 March 2020

		As at 31-Mar-20 £'000	As at 31-Mar-19 (restated) £'000
Assets			
Non current assets			
Intangible assets		37,922	11,505
Goodwill		19,626	11,872
Property, plant and equipment		7,850	617
Total non current assets		<u>65,398</u>	<u>23,994</u>
Current assets			
Trade and other receivables		175,532	95,371
Financial assets	7	2,817	3,151
Cash and cash equivalents		40,294	35,551
Total current assets		<u>218,643</u>	<u>134,073</u>
Liabilities			
Non current liabilities			
Deferred tax liability		(6,440)	(1,620)
Lease liability		(5,769)	-
Total non current liabilities		<u>(12,209)</u>	<u>(1,620)</u>
Current liabilities			
Trade and other payables		(181,693)	(99,710)
DBVAP liability		(845)	(1,166)
Corporation tax payable		(734)	-
Total current liabilities		<u>(183,272)</u>	<u>(100,876)</u>
Net current assets		<u>35,371</u>	<u>33,197</u>
Net assets		<u>88,560</u>	<u>55,571</u>
Shareholders' equity			
Ordinary shares		555	507
Share premium		57,439	19,745
Capital redemption reserve		19	19
Retained earnings		36,409	38,591
Own shares held		(5,862)	(3,291)
Total equity		<u>88,560</u>	<u>55,571</u>

Consolidated Cash Flow Statement

For the year ended 31 March 2020

	Year ended 31-Mar-20 £'000	Year ended 31-Mar-19 £'000 (restated)
Cash flows from operating activities		
Cash received from operations	96,359	85,072
Cash paid in respect of operations	(79,019)	(62,088)
Net cash generated from changes in unit trust receivables and payables	1,561	340
Net cash generated from operations	<u>18,901</u>	<u>23,324</u>
Interest received	18	10
Tax paid	-	(5,908)
Net cash generated from operating activities	<u>18,919</u>	<u>17,426</u>
Cash flows from investing activities		
Purchase of property and equipment	(174)	(609)
Cash acquired from Neptune	3,661	-
Purchase of DBVAP Financial Asset	(1,362)	(1,629)
Sale DBVAP Financial Asset	1,333	753
Purchase of Seeding investments	(169)	(520)
Sale of Seeding investments	50	422
Net cash from/(used in) investing activities	<u>3,339</u>	<u>(1,583)</u>
Cash flows from financing activities		
Purchase of own shares	(3,310)	(126)
Sale of own shares	743	601
Issue of new shares	-	-
Dividends paid	(14,948)	(11,542)
Net cash used in financing activities	<u>(17,515)</u>	<u>(11,067)</u>
Net increase in cash and cash equivalents*	4,743	4,776
Opening cash and cash equivalents*	35,551	30,775
Closing cash and cash equivalents*	<u>40,294</u>	<u>35,551</u>

* Cash and cash equivalents consist only of cash balances.

Consolidated Statement of Change in Equity For the 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>
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
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 01 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 option settlement	-	-	-	(1,914)	-	(1,914)
Equity share options issued/(settled)	-	-	-	1,934	-	1,934
Balance at 31 March 2020	555	57,439	19	36,409	(5,862)	88,560

**Consolidated Statement of Change in Equity
For the year ended 31 March 2019 (restated)**

	<i>Ordinary Shares £ '000</i>	<i>Share Premium (restated) £ '000</i>	<i>Deferred Consideration £ '000</i>	<i>Capital Redemption £ '000</i>	<i>Retained Earnings (restated) £ '000</i>	<i>Own shares Held £ '000</i>	<i>Total Equity (restated) £ '000</i>
Balance at 1 April 2018 brought forward	495	15,796	3,959	19	31,853	(3,766)	48,356
Profit for the year	-	-	-	-	20,064	-	20,064
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	20,064	-	20,064
Dividends paid	-	-	-	-	(11,542)	-	(11,542)
Shares issued	2	-	-	-	-	-	2
(Purchase)/sale of own shares	-	-	-	-	-	475	475

Deferred consideration ATI acquisition	10	3,949	(3,959)	-	-	-	-
share option settlement	-	-	-	-	(3,472)	-	(3,472)
Equity share options issued	-	-	-	-	1,688	-	1,688
Balance at 31 March 2019	507	19,745	-	19	38,591	(3,291)	55,571

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 2019.

Restatement

The 2019 financial statements have been restated to reflect the corrected treatment of the settlement of LTIPs during the period. The amounts have been restated to remove the effect of their settlement from the Statement of Comprehensive Income to the Statement of Changes in Equity. The restatement reduced administration expenses by £3,143,000; increased profit before tax by £3,143,000; reduced share premium by £1,134,000 and increased retained earnings by £1,134,000. There was no adjustment to net assets. The Cash Flow Statement, Statement of Changes in Equity and related notes were updated to reflect this restatement.

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 31-Mar-20 £'000	Year ended 31-Mar-19 £'000
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Revenue	123,021	97,524
Performance fee revenue	1,004	32
Total revenue	124,025	97,556
Cost of sales	(17,393)	(12,924)
Gross profit	106,632	84,632

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 fees paid or payable.

4. Administration expenses

	<i>Year ended</i> 31-Mar-20	<i>Year ended</i> 31-Mar-19 (restated)
	<i>£'000</i>	<i>£'000</i>
Employee related expenses		
Director and employee costs ⁽¹⁾	14,047	10,639
Pensions	866	562
Share incentivisation expense	3,725	2,517
DBVAP expense	1,335	1,591
Severance compensation ⁽²⁾	1,886	70
	<hr/> 21,859	<hr/> 15,379
Non employee related expenses		
Members drawings charged as an expense	31,993	27,995
Share incentivisation expense members	1,126	621
Professional services (restructuring, acquisition related and other) ⁽²⁾	8,437	819
Depreciation and Intangible asset amortisation ⁽³⁾	5,392	2,215
Other administration expenses	20,904	15,378
	<hr/> 67,852	<hr/> 47,028
	<hr/> <hr/> 89,711	<hr/> <hr/> 62,407

(1) Full details of the Directors emoluments can be found in the Directors Remuneration Report on page 78 of the 2020 Annual Report and Accounts.

(2) Costs relating to the acquisition and re-organisation of Neptune were £9.7 million including acquisition related costs of £1.9 million, severance compensation and a £3.2 million charge in relation to the termination of a marketing contract that was not required. Further re-organisation cost in relation to the transfer of the out-sourced transfer agency administration services contract from SS&C Technologies to BNY Mellon, which was successfully completed in June 2020, will be included in Administration Expenses for the financial year ending 31 March 2021.

(3) includes impairment of asset relating to Argonaut European Income business.

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 (depreciation, intangible asset amortisation and share incentivisation related) expenses and non-recurring (acquisition, cost reduction, restructuring, share incentivisation and severance compensation related) expenses (“Adjustments”), and is reconciled in the table below.

	<i>Year ended</i> 31-Mar-20 £'000	<i>Year ended</i> 31-Mar-19 £'000
Profit for the year	12,964	20,064
Taxation	3,544	2,108
Profit before tax	16,508	22,172
Share incentivisation expense	4,851	3,138
DBVAP expense	1,335	1,591
Unrealised loss on DBVAP financial asset	216	-
Severance compensation and staff reorganisation costs ⁽¹⁾	2,296	70
Acquisition related contingent	-	88
IFRS16 - property adjustment	(980)	-
Professional services ⁽¹⁾	8,436	819
Depreciation, Intangible asset amortisation and impairment	5,392	2,215
Adjustments	21,546	7,921
Adjusted profit before tax	38,054	30,093
Interest receivable	(18)	(10)
Adjusted operating profit	38,036	30,083
Adjusted basic earnings per share	58.68	48.57
Adjusted basic earnings per share (excluding performance fees)	58.13	48.55
Adjusted diluted earnings per share	56.74	46.89
Adjusted diluted earnings per share (excluding performance fees)	56.21	46.87

(1) Costs relating to the acquisition and re-organisation of Neptune were £9.7 million including acquisition related costs of £1.9 million, severance compensation and a £3.2 million charge in relation to the termination of a marketing contract that was not required. Further re-organisation cost in relation to the transfer of the out-sourced transfer agency administration services contract from SS&C Technologies to BNY Mellon, which was successfully completed in June 2020, will be included in Administration Expenses for the financial year ending 31 March 2021.

(3) Performance fee revenues contribution calculated in line with operating margin of 35.7% (2019: 35.5%)

6. Earnings per share

The calculation of basic earnings per share is based on profit after taxation for the year and the weighted average number of Ordinary Shares in issue for year. The weighted average number of Ordinary Shares was 52,531,287 for the year (2019: 50,185,745). 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 2020. The adjusted weighted average number

of Ordinary Shares so calculated for the year was 54,320,477 (2019: 51,986,043). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	As at 31-Mar-20 number	As at 31-Mar-19 number
Weighted average number of Ordinary Shares	52,531,287	50,185,745
Weighted average number of dilutive Ordinary shares under option:		
- to the Liontrust Long Term Incentive Plan	1,779,742	1,711,753
- to the Liontrust Option Plan	9,448	-
- to the DBVAP	-	88,545
Adjusted weighted average number of Ordinary Shares	<u>54,320,477</u>	<u>51,986,043</u>

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, the Liontrust GF Asia Income 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 Global Income Fund, the Liontrust Macro Equity Income Fund, the Liontrust Asia Income Fund and the Liontrust UK Growth Fund.

8. 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 2020 has not been recognised in the results for the year. There were no contingent assets or liabilities at 31 March 2020 (2019: £nil)

9. 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

2019 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.

10. Events after the reporting period

On 1 July 2020 the Company announced that it had entered into a conditional sale and purchase agreement ("**SPA**") with Architas Limited, a wholly owned subsidiary of AXA S.A., to purchase the entire issued share capital of Architas-Multi Manager Limited and Architas Advisory Services Limited (the "**Proposed Acquisition**") for a total consideration of up to £75 million (the "**Consideration**").

The Consideration, acquisition related costs, and re-organisation costs will be satisfied by the net proceeds of a non-pre-emptive placing of 5.09 million new ordinary shares of 1 pence in the capital of the Company ("**New Ordinary Shares**"), which was completed on 1 July 2020 with New Ordinary Shares admitted to trading on the main market for listed securities of the London Stock Exchange on 6 July 2020 ("**Issue Date**"), and existing Company cash resources.

The New Ordinary Shares as issued, are credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares by reference to a record date falling after their Issue Date.

Completion of the proposed acquisition is expected to take place on 30 October 2020, subject to regulatory and shareholder approval.

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 2020 Annual Report and Accounts is expected to be posted to shareholders on or around 17 July 2020.

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.

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