

# Second Quarter 2021 Results

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President and Chief Executive Officer

**Allison Dukes**  
Chief Financial Officer

**July 27, 2021**

# Forward-looking statements and Important Information

This presentation, and comments made in the associated conference call today, may include “forward-looking statements.” Forward-looking statements include information concerning future results of our operations, expenses, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, AUM, geopolitical events and the COVID-19 pandemic and their respective potential impact on the company, acquisitions and divestitures, debt and our ability to obtain additional financing or make payments, regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. In addition, words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” “forecasts,” and future or conditional verbs such as “will,” “may,” “could,” “should,” and “would” as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements. None of this information should be considered in isolation from, or as a substitute for, historical financial statements.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in our most recent Form 10-K and subsequent Forms 10-Q, filed with the Securities and Exchange Commission.

You may obtain these reports from the SEC’s website at [www.sec.gov](http://www.sec.gov). We expressly disclaim any obligation to update the information in any public disclosure if any forward-looking statement later turns out to be inaccurate.

This presentation includes the following non-GAAP performance measures: net revenue (and by calculation, net revenue yield on AUM), adjusted operating expenses, adjusted operating income, adjusted operating margin, adjusted net income attributable to Invesco Ltd., and adjusted diluted earnings per share (EPS). We believe the adjusted measures provide valuable insight into our ongoing operational performance and assist in comparisons to our competitors. These measures also assist management with the establishment of operational budgets and forecasts and assist the Board of Directors and management in determining incentive compensation decisions. The most directly comparable U.S. GAAP measures are operating revenues (and by calculation, gross revenue yield on AUM), operating expenses, operating income, operating margin, net income attributable to Invesco Ltd., and diluted EPS.

The information in this presentation is meant to supplement the information contained in the earnings release and includes a more detailed reconciliation format of the income statement from U.S. GAAP to a non-GAAP presentation. We believe that this presentation is useful, as it aggregates the various non-GAAP adjustments to illustrate adjusted revenue and expense categories and allows more transparency into the calculation of the non-GAAP financial measures.

# Second quarter 2021 highlights

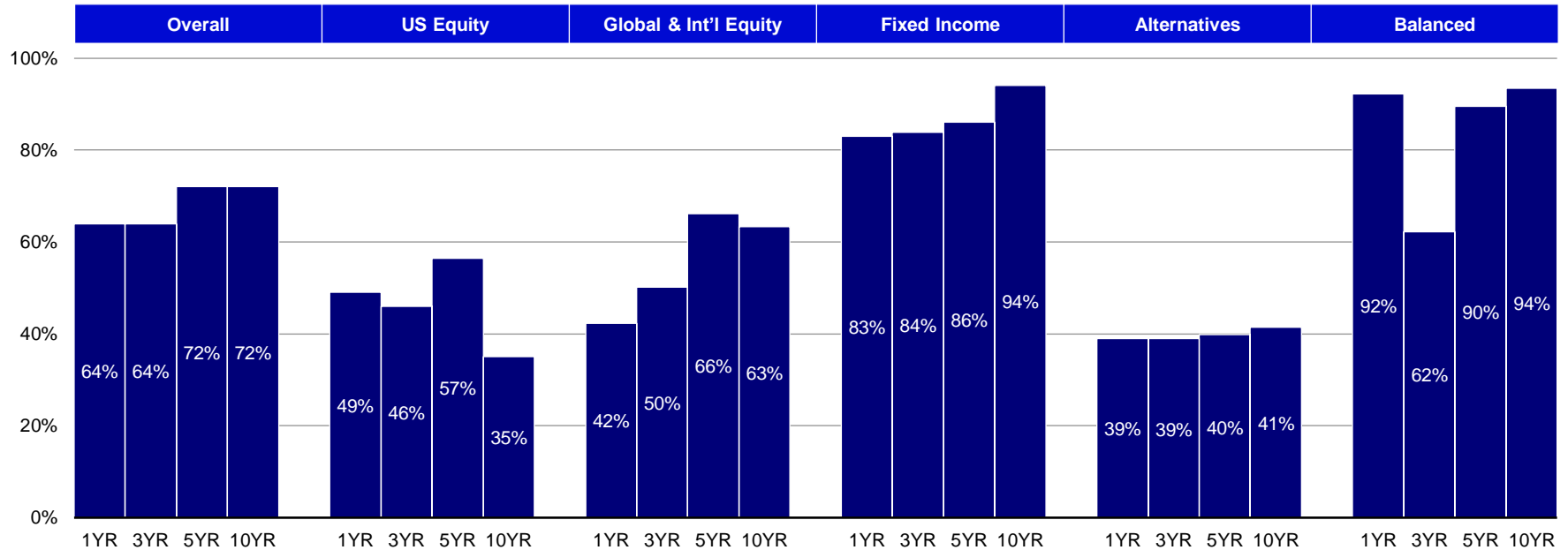
Key Metrics	Q2'20	Q1'21	Q2'21	Key Capability Area	Q2'21 Ending AUM	Q2'21 Business Highlights
Net LT Flows (billions)	\$(14.2)	\$24.5	\$31.1	ETFs, Factors and Index	\$490B <sup>1</sup>	Global ETF net LT flows (ex-QQQ) of <b>\$12.1B</b> ; Global ETF platform (ex-QQQ) captured <b>4.2% of industry net flows</b> while holding a 2.7% market share of AUM
Ending AUM (billions)	\$1,145.2	\$1,404.1	\$1,525.0	Private Markets	\$104B <sup>2</sup>	Launched two CLOs, raising <b>\$1.0B</b> ; continue to innovate with <b>strategies for retail investors</b> ; <b>\$5B</b> of direct real estate capital available for deployment
Average AUM (billions)	\$1,118.7	\$1,395.1	\$1,480.2	Active Fixed Income	\$366B <sup>3</sup>	<b>Net LT inflows of \$8.8B</b> across investment grade and muni capabilities
Net Revenue Yield(ex-performance fees)* (bps)	36.8	35.7	34.8	Active Global Equities	\$157B <sup>4</sup>	Invesco Developing Markets Fund <b>net LT inflows of \$0.8B</b>
Adjusted Operating Income* (millions)	\$359.7	\$503.0	\$540.5	Greater China Investment Capabilities	\$95B <sup>5</sup>	<b>Net LT inflows of \$3.0 billion</b> ; JV launched <b>7 funds</b> in quarter
Adjusted Operating Margin*	34.8%	40.2%	41.5%	Investment Solutions	\$70B <sup>6</sup>	<b>Enabled 35% of the institutional pipeline</b> ; efforts include the nearly \$18B passive Asian mandate that funded in the quarter
Adjusted Diluted EPS*	\$0.35	\$0.68	\$0.78			

- \$31.1 billion of net long-term inflows in the quarter
- Achieved 63% of the target \$200 million annualized net savings as of the end of the quarter
- Adjusted operating margin\* of 41.5%
- Adjusted diluted EPS\* of \$0.78 for the quarter
- Strong cashflows from operations further strengthening liquidity and net leverage profile

\*Non-GAAP financial measures. See Appendix for footnote disclosures.

# Investment performance

% of actively managed assets in top half of peer group or beating benchmark



Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

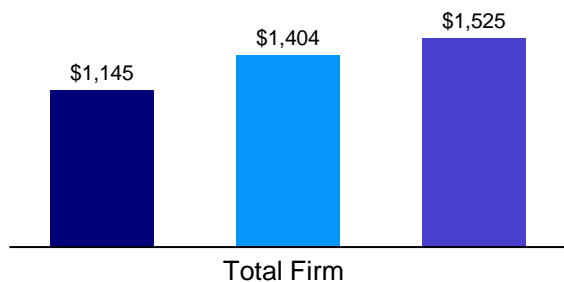
Data as of 6/30/2021. Includes AUM of \$950.3 billion (62% of total IVZ) for 1 year, \$912.9 billion (60% of total IVZ) for 3 year, \$881 billion (58% of total IVZ) for 5 year and \$811.8 billion (53% of total IVZ) for 10 year. For composites where peer rankings are available, we compare performance against peer median. For composites where peer rankings are not available but benchmark-relative performance is available, we compare performance against benchmark. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Morningstar, IA, Lipper, eVestment, Mercer, Galaxy, SITCA, Value Research) and asset-weighted in USD. Rankings are as of prior quarter-end for most institutional products and prior month-end for Australian retail funds due to their late release by third parties. Rankings are calculated against all funds in each peer group. Rankings for the primary share class of the most representative fund in each composite are applied to all products within each composite. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

# Assets under management & long-term flows

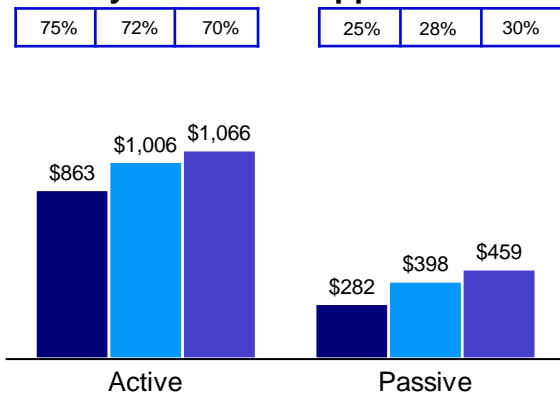
■ Q2'20 ■ Q1'21 ■ Q2'21 □ % of Total Firm AUM □ Annualized LT Org. Growth<sup>1</sup>

(in billions)

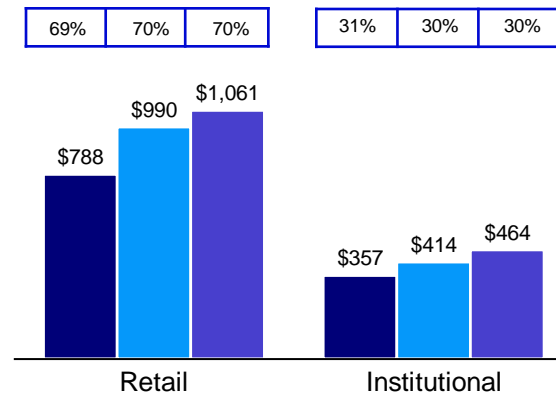
## AUM Total Firm



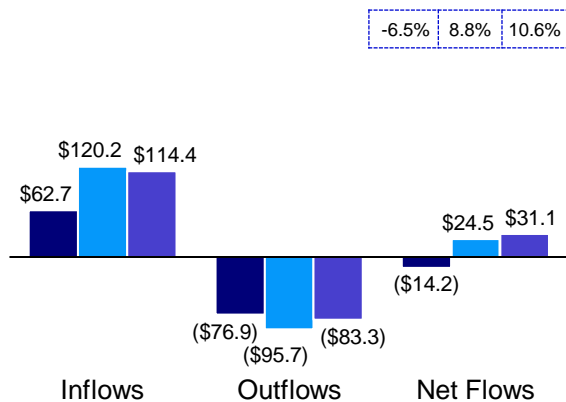
## AUM by Investment Approach



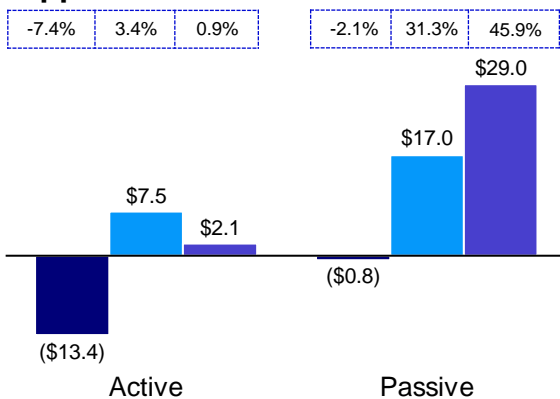
## AUM by Channel



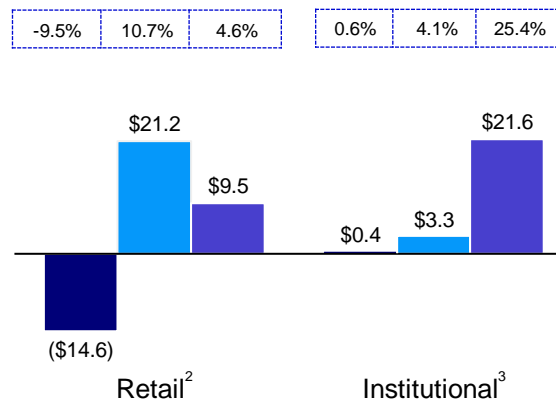
## Long-Term Flows



## Net Long-Term Flows by Investment Approach



## Net Long-Term Flows by Channel



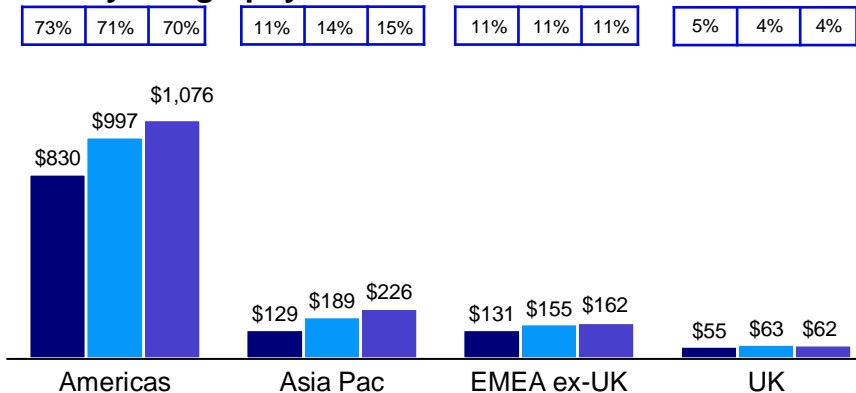
See Appendix for footnote disclosures. Numbers may not add up due to rounding.

# Assets under management & long-term flows (continued)

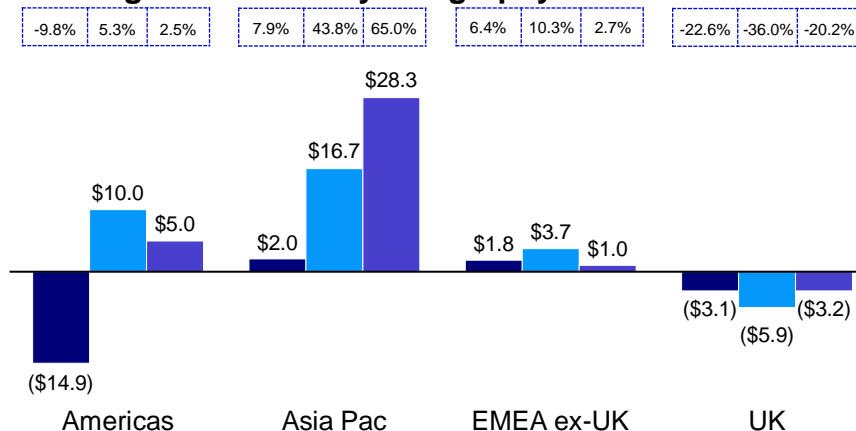
■ Q2'20 ■ Q1'21 ■ Q2'21 □ % of Total Firm AUM □ Annualized LT Org. Growth<sup>1</sup>

(in billions)

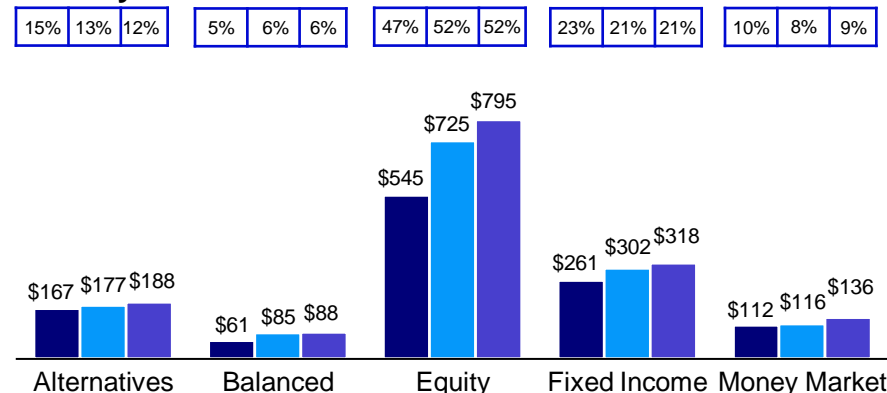
## AUM by Geography



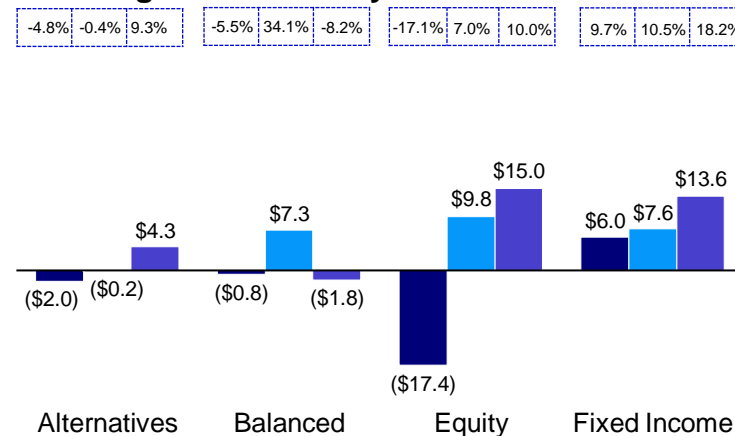
## Net Long-Term Flows by Geography



## AUM by Asset Class



## Net Long-Term Flows by Asset Class

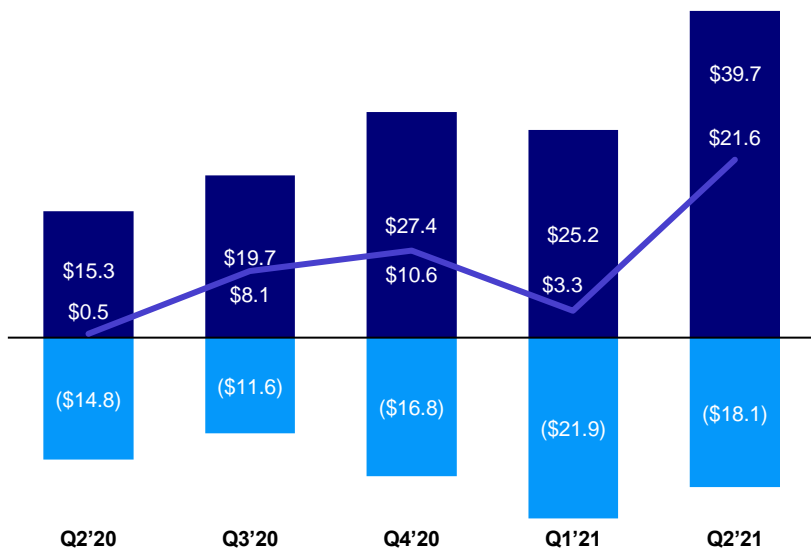


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# Global institutional long-term flows & pipeline

(in billions)

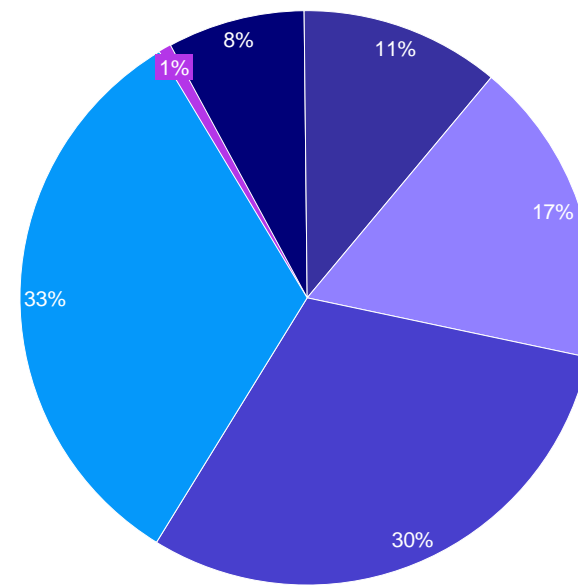
## Global Institutional LT Flows



— Net Flows (LT)   ■ Redemptions (LT)   ■ Gross Sales (LT)

## Won Not Funded Pipeline by Type of Mandate (% AUM)

100% = \$33.3 billion



■ Factor/Passive Equity   ■ Active Equity  
 ■ Alternatives   ■ Custom Solutions  
 ■ Fixed Income   ■ Other

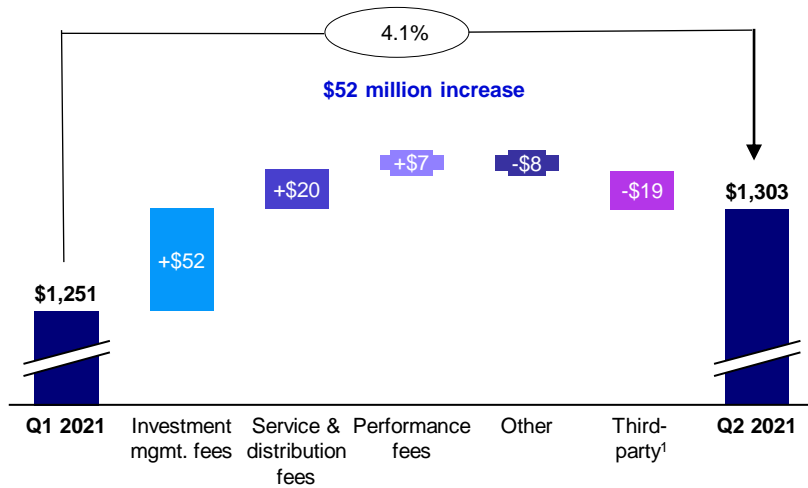
**Invesco Solutions enabled 35% of the global institutional pipeline**

Numbers may not add up due to rounding.

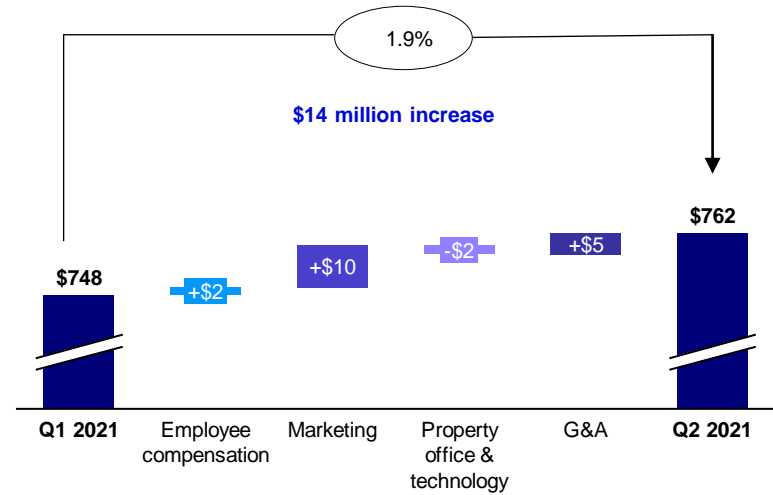
# Revenues and expenses

(in millions)

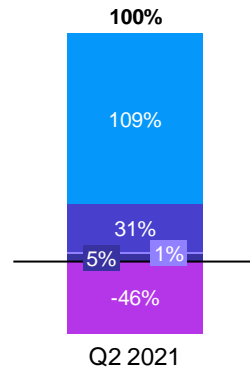
## Net Revenues



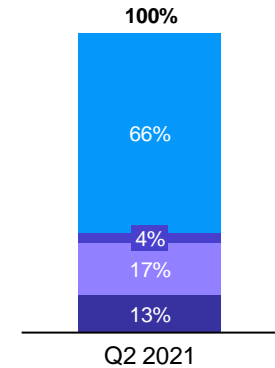
## Adjusted Operating Expenses



- Investment management fees
- Service & distribution fees
- Performance fees
- Other
- Third-party!



- Employee compensation
- Marketing
- Property, office & technology
- General & administrative



Non-GAAP financial measures. See Appendix for footnote disclosures. Numbers may not add up due to rounding.



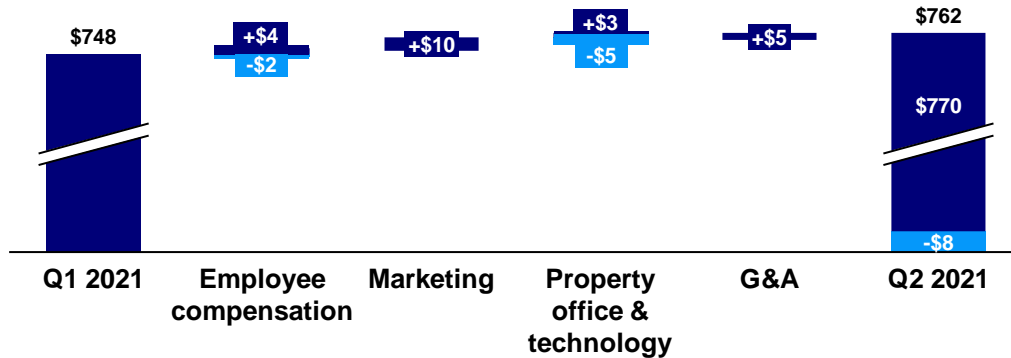
# Strategic evaluation - annualized net savings

- Strategic evaluation is focused on investing for growth in key areas of the business, including ETFs, Fixed Income, China, Solutions, Alternatives and Global Equities
- Will achieve further efficiency and effectiveness, helping to drive sustained organic growth
- Net savings of \$200m expected by the end of 2022, with \$150 million (75%) of these savings to be achieved by the end of 2021

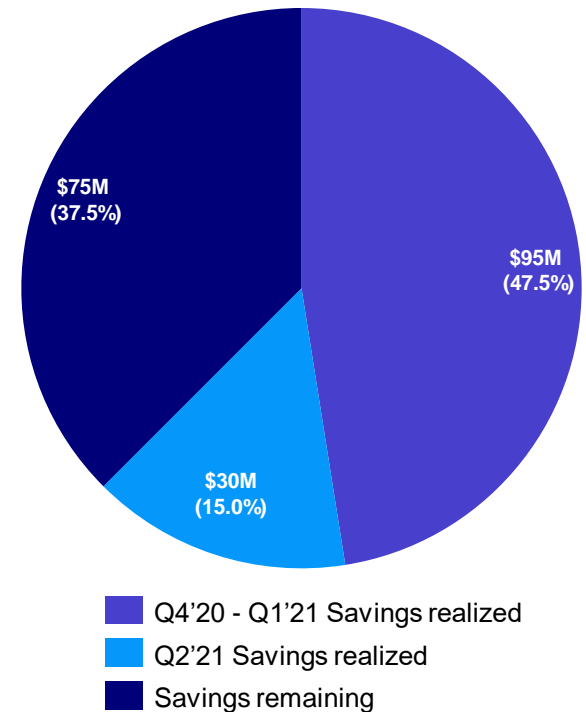
(in millions)

## Operating Expenses and Net Savings

-\$14M Seasonal compensation +\$18M Market/FX/Other var comp -\$ 2M Savings realized +\$ 2M Total increase	-\$3M Facilities/Technology contracts -\$2M Platform standardization -\$5M Savings realized	Total savings realized in Q2 = \$7.5M Annualized savings = \$30M
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## \$200M Annualized Net Savings

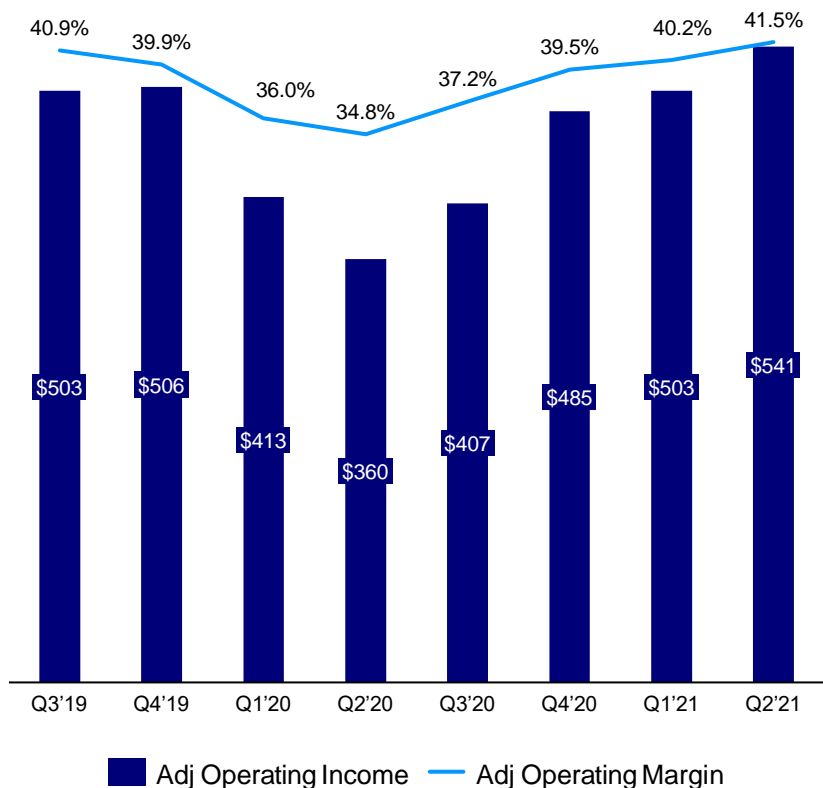


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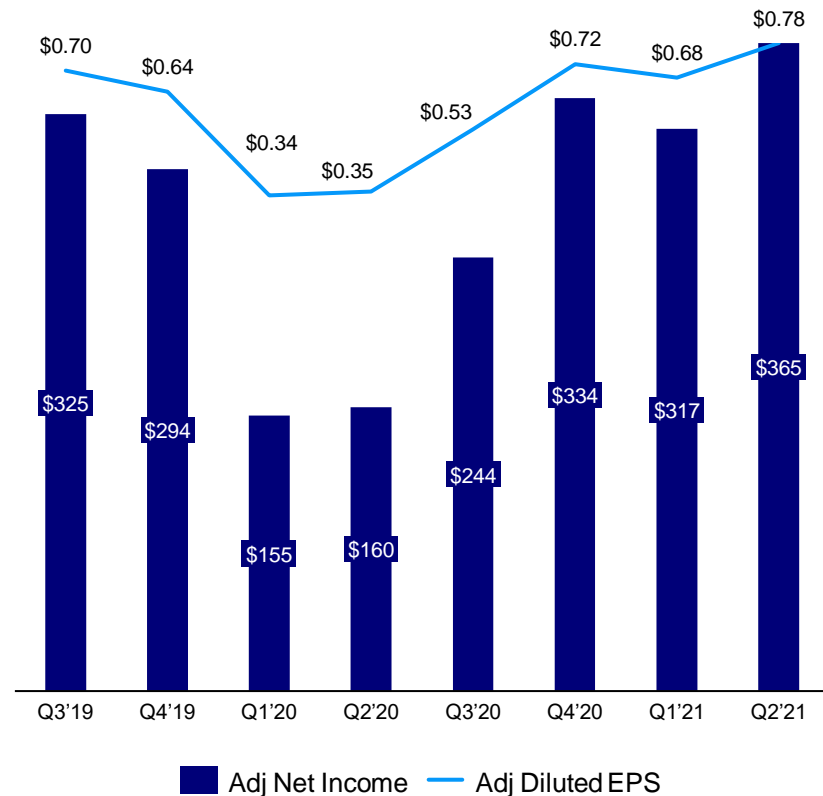
# Adjusted operating income and profitability

(in millions, except margin and per share information)

## Adjusted Operating Income and Adjusted Operating Margin



## Adjusted Net Income and Adjusted Diluted Earnings Per Share

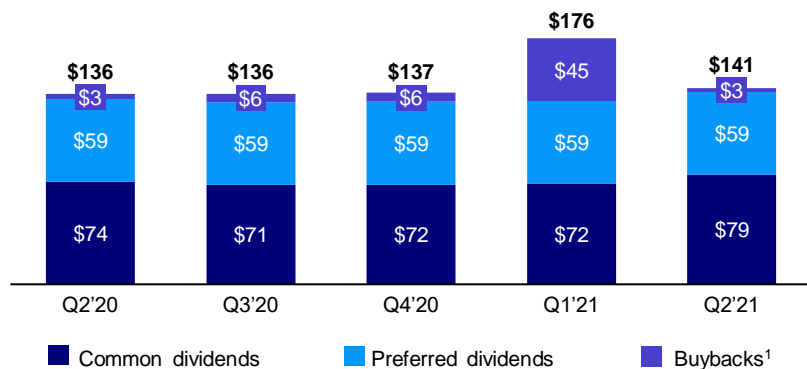


Non-GAAP financial measures. See Appendix for footnote disclosures.

# Capital management and balance sheet

(in millions, except ratio information)

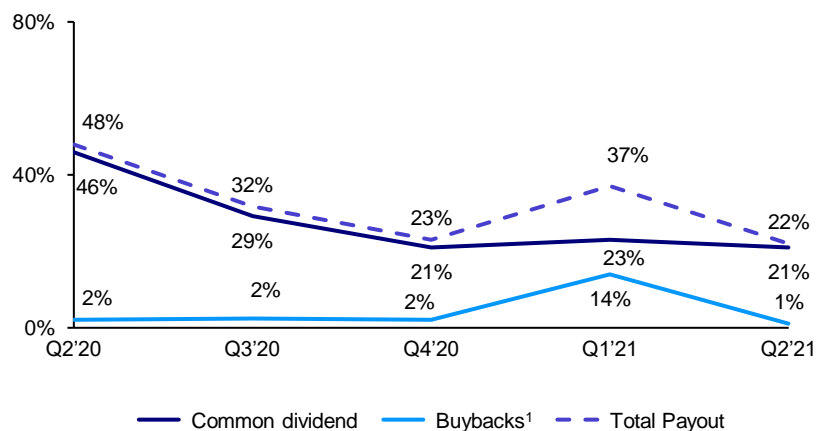
## Capital Returned to Shareholders



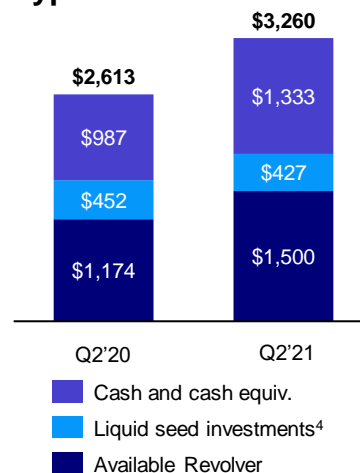
## Balance Sheet Highlights

	Assets		Liabilities		Equity	
	Q2'20	Q2'21	Q2'20	Q2'21	Q2'20	Q2'21
U.S. GAAP	\$ 35,579	\$ 33,248	\$ 21,409	\$ 17,458	\$ 14,171	\$ 15,791
Impact of CIP <sup>2</sup>	\$ (7,468)	\$ (8,751)	\$ (6,901)	\$ (7,869)	\$ (568)	\$ (882)
Impact of policy holders <sup>3</sup>	\$ (8,021)	\$ (3,415)	\$ (8,021)	\$ (3,415)	n/a	n/a
<b>Total as adjusted</b>	<b>\$ 20,090</b>	<b>\$ 21,082</b>	<b>\$ 6,487</b>	<b>\$ 6,173</b>	<b>\$13,603</b>	<b>\$14,909</b>

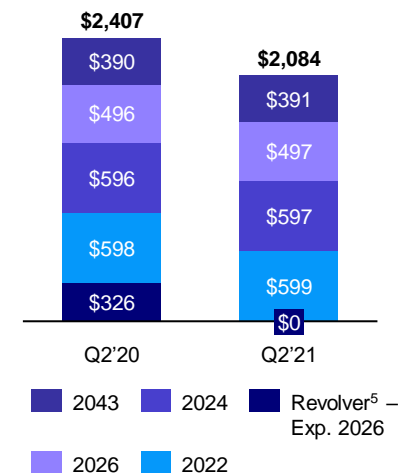
## Common Shareholders Payout Ratio, as % of Adj. Net Income\*



## Sources of Liquidity by Type



## Long-Term Debt by Maturity



\*Adjusted net income attributable to common shareholders. Non-GAAP financial measures. See Appendix for footnote disclosures. Numbers may not add up due to rounding.

# Conclusion

## ■ Key capabilities in areas of high client demand driving strong inflows

- Key areas of focus include ETFs, Factors and Index, Private Markets, Active Fixed Income, Active Global Equities, Greater China, and Solutions
- Continued investment performance strength in high-demand capabilities
- \$31.1 billion of net long-term inflows in the quarter

## ■ Executing our long-term strategy for the benefit of clients and our business

- Continue to invest ahead of client demand in our key capability areas
- Focus on our organizational model, our real estate footprint, management of third-party spend, and technology and operations efficiency
- Achieved 63% of the target \$200 million annualized net savings as of the end of the quarter

## ■ Driving greater scale and flexibility in our operating model

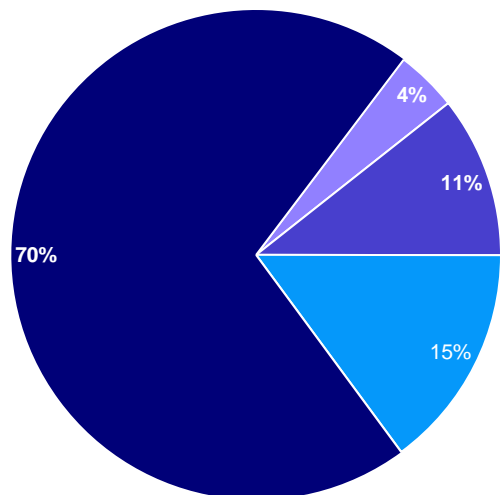
- Positive operating leverage\* on an adjusted basis was 1.8x, driving adjusted operating margin\* to 41.5%
- Strong cashflows from operations further strengthening liquidity and net leverage profile

\*Non-GAAP financial measures. See Appendix for footnote disclosures.

# Appendix

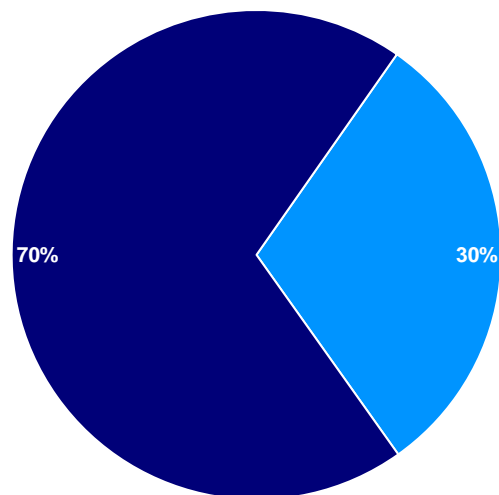
# We are diversified as a firm

## By Client Domicile



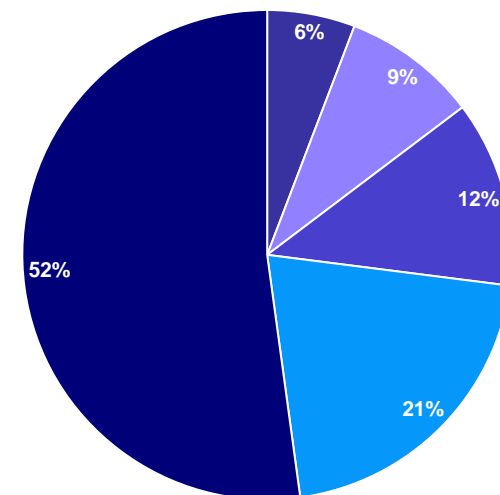
	(billions)	1-Yr Change
Americas	\$1,075.8	29.6 %
Asia Pac	\$225.6	74.3 %
EMEA ex-UK	\$161.7	23.5 %
UK	\$61.9	12.3 %
<b>Total</b>	<b>\$1,525.0</b>	<b>33.2 %</b>

## By Channel



	(billions)	1-Yr Change
Retail	\$1,060.7	34.5 %
Institutional	\$464.3	30.1 %
<b>Total</b>	<b>\$1,525.0</b>	<b>33.2 %</b>

## By Asset Class



	(billions)	1-Yr Change
Equity	\$795.5	46.0 %
Fixed Income	\$317.6	21.8 %
Alternatives	\$187.7	12.3 %
Money Market	\$135.7	21.7 %
Balanced	\$88.5	45.3 %
<b>Total</b>	<b>\$1,525.0</b>	<b>33.2 %</b>

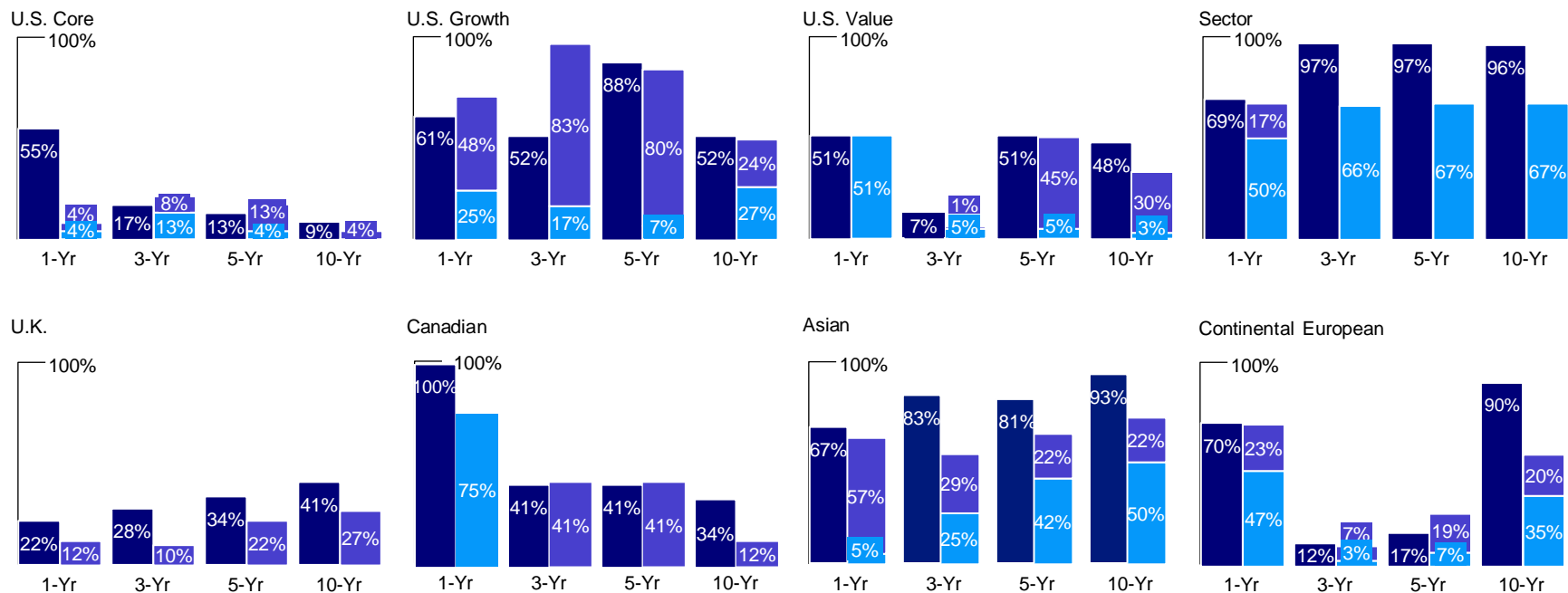
Numbers may not add up due to rounding

# Investment performance

## By investment objective (actively managed assets)\*

■ AUM above benchmark    ■ 1st quartile    ■ 2nd quartile

### Equities



\* Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

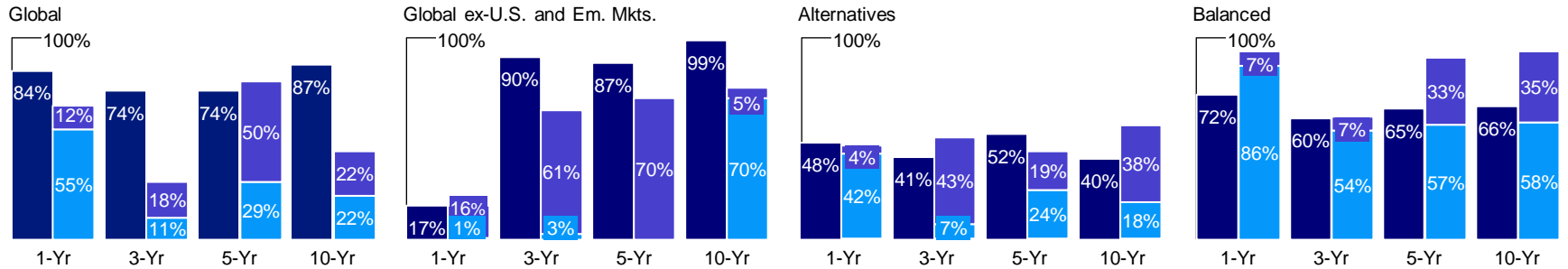
AUM measured in the one, three, five and ten year quartile rankings represents 51%, 50%, 49% and 45% of total Invesco AUM, respectively, and AUM measured versus benchmark on a one, three, five and ten year basis represents 62%, 60%, 58% and 53% of total Invesco AUM as of 6/30/21. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Morningstar, IA, Lipper, eVestment, Mercer, Galaxy, SITCA, Value Research) and asset-weighted in USD. Rankings are as of prior quarter-end for most institutional products and prior month-end for Australian retail funds due to their late release by third parties. Rankings are calculated against all funds in each peer group. Rankings for the primary share class of the most representative fund in each composite are applied to all products within each composite. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

# Investment performance

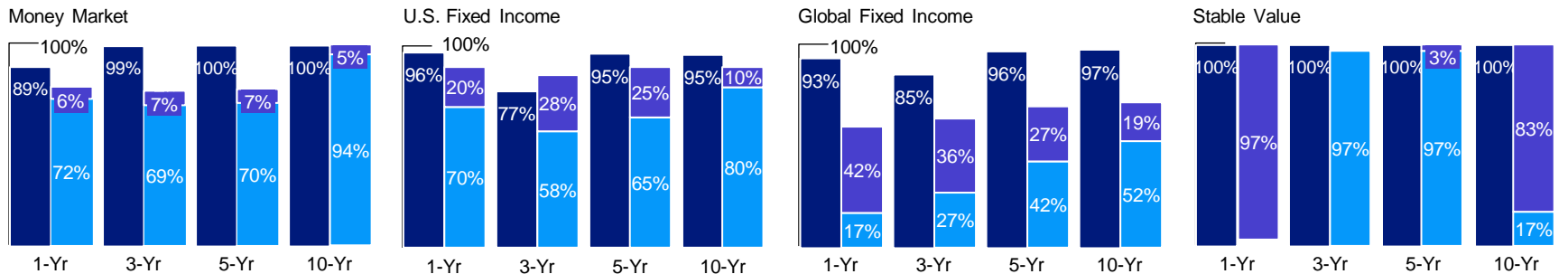
## By investment objective (actively managed assets)\*

■ AUM above benchmark   ■ 1st quartile   ■ 2nd quartile

### Equities



### Fixed Income



\* Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

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# US GAAP and Non-GAAP operating results

## Q2-21 vs. Q1-21

(in millions)	US GAAP Basis			(in millions)	Non-GAAP Basis		
	Q2-21	Q1-21	% Change <sup>(1)</sup>		Q2-21	Q1-21	% Change <sup>(1)</sup>
Investment Management Fees	\$1,247.4	\$1,206.6	3.4%	Investment Management Fees	\$1,415.3	\$1,363.2	3.8%
Service and Distribution Fees	401.0	381.1	5.2%	Service and Distribution Fees	401.0	381.1	5.2%
Performance Fees	10.5	6.7	56.7%	Performance Fees	14.2	6.8	108.8%
Other	62.5	65.3	(4.3)%	Other	67.3	75.5	(10.9)%
Revenue adjustments*	—	—	N/A	Revenue adjustments*	(594.9)	(575.6)	3.4%
<b>Total Operating Revenues</b>	<b>\$1,721.4</b>	<b>\$1,659.7</b>	<b>3.7%</b>	<b>Net Revenues</b>	<b>\$1,302.9</b>	<b>\$1,251.0</b>	<b>4.1%</b>
Third-Party Distribution, Service and Advisory*	539.6	522.8	3.2%	Third-Party Distribution, Service and Advisory*	—	—	N/A
Employee Compensation	487.0	489.2	(0.4)%	Employee Compensation	507.0	505.2	0.4%
Marketing	24.5	15.8	55.1%	Marketing	28.6	18.8	52.1%
Property, Office and Technology	127.2	129.3	(1.6)%	Property, Office and Technology	130.4	132.5	(1.6)%
General and Administrative	103.3	96.6	6.9%	General and Administrative	96.4	91.5	5.4%
Transaction, Integration and Restructuring	(47.1)	45.8	N/A	Transaction, Integration and Restructuring	—	—	N/A
Amortization of Intangibles <sup>(2)</sup>	16.0	15.9	0.6%	Amortization of Intangibles <sup>(2)</sup>	—	—	N/A
<b>Total Operating Expenses</b>	<b>\$1,250.5</b>	<b>\$1,315.4</b>	<b>(4.9)%</b>	<b>Adjusted Operating Expenses</b>	<b>\$762.4</b>	<b>\$748.0</b>	<b>1.9%</b>
<b>Operating Income</b>	<b>\$470.9</b>	<b>\$344.3</b>	<b>36.8%</b>	<b>Adjusted Operating Income</b>	<b>\$540.5</b>	<b>\$503.0</b>	<b>7.5%</b>
Equity in Earnings of Unconsolidated Affiliates	37.2	27.5	35.3%	Equity in Earnings of Unconsolidated Affiliates	39.6	36.7	7.9%
Interest and Dividend Income	0.4	1.3	(69.2)%	Interest and Dividend Income	2.1	2.6	(19.2)%
Interest Expense	(24.6)	(23.8)	3.4%	Interest Expense	(24.6)	(23.8)	3.4%
Other Gains and Losses, net	43.4	34.1	27.3%	Other Gains and Losses, net	24.5	10.4	135.6%
Other income/(expense) of CIP, net	122.0	94.7	28.8%	Other income/(expense) of CIP, net	—	—	N/A
<b>Income before income taxes</b>	<b>\$649.3</b>	<b>\$478.1</b>	<b>35.8%</b>	<b>Adjusted income before taxes</b>	<b>\$582.1</b>	<b>\$528.9</b>	<b>10.1%</b>
Income Tax Provision	(154.2)	(106.5)	44.8%	Income Tax Provision	(132.8)	(127.0)	4.6%
Effective Tax Rate <sup>(3)</sup>	23.7%	22.3%		Effective Tax Rate <sup>(3)</sup>	22.8%	24.0%	
Net Income	495.1	371.6	33.2%	Adjusted Net Income	449.3	401.9	11.8%
Net (Income)/Loss attributable to Noncontrolling Interests in Consolidated Entities	(67.6)	(44.6)	51.6%	Adjusted Net (Income)/Loss attributable to Noncontrolling Interests in Consolidated Entities	(25.4)	(26.1)	(2.7)%
Less: Dividends declared on preferred shares	(59.2)	(59.2)	—%	Less: Dividends declared on preferred shares	(59.2)	(59.2)	—%
<b>Net Income attributable to Invesco Ltd.</b>	<b>\$368.3</b>	<b>\$267.8</b>	<b>37.5%</b>	<b>Adjusted net income attributable to Invesco Ltd.</b>	<b>\$364.7</b>	<b>\$316.6</b>	<b>15.2%</b>
Diluted EPS	\$0.79	\$0.58	36.2%	Adjusted Diluted EPS	\$0.78	\$0.68	14.7%

(1) Change based on rounded figures

(2) In prior periods, amortization of intangible assets was included in the transaction, integration and restructuring line item. Beginning in 2021, amortization of intangible assets is now presented as its own line item. There is no impact on operating expenses, operating income or net income.

(3) Effective tax rate = Tax expense / Income before income taxes

For further information and reconciliation between US GAAP and non-GAAP, see the Non-GAAP Information and Reconciliations sections of the current earnings release and prior period Forms 10-K, 10-Q, and 8-K.

\* Revenue adjustments include passed through investment management, service and distribution, and other revenues and sum to the same amount as the third-party distribution, service and advisory expenses.

# Reconciliation of US GAAP results to Non-GAAP results

## Three months ended June 30, 2021

Please refer to pages 6-9 in the 2Q 2021 earnings press release for a description of the adjustments

(in millions)	US GAAP basis	Consolidation of joint ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Transaction, integration and restructuring	Amortization of intangibles	Market appreciation / depreciation of deferred compensation awards	Consolidated investment products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>									
Investment Management Fees	\$1,247.4	\$157.7	\$—	\$—	\$—	\$—	\$10.2	\$—	\$1,415.3
Service and Distribution Fees	401.0	—	—	—	—	—	—	—	401.0
Performance Fees	10.5	3.7	—	—	—	—	—	—	14.2
Other	62.5	4.8	—	—	—	—	—	—	67.3
Revenue adjustments*	—	(55.3)	(539.6)	—	—	—	—	—	(594.9)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>\$1,721.4</b>	<b>\$110.9</b>	<b>\$(539.6)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$10.2</b>	<b>\$—</b>	<b>\$1,302.9</b>
<b>Operating Expenses</b>									
Third-Party Distribution, Service and Advisory*	539.6	—	(539.6)	—	—	—	—	—	—
Employee Compensation	487.0	39.5	—	—	—	(19.5)	—	—	507.0
Marketing	24.5	4.1	—	—	—	—	—	—	28.6
Property, Office and Technology	127.2	3.2	—	—	—	—	—	—	130.4
General and Administrative	103.3	2.1	—	—	—	—	(9.0)	—	96.4
Transaction, Integration and Restructuring	(47.1)	—	—	47.1	—	—	—	—	—
Amortization of Intangibles <sup>(1)</sup>	16.0	—	—	—	(16.0)	—	—	—	—
<b>Total Operating Expenses</b>	<b>\$1,250.5</b>	<b>\$48.9</b>	<b>\$(539.6)</b>	<b>\$47.1</b>	<b>\$(16.0)</b>	<b>\$(19.5)</b>	<b>\$(9.0)</b>	<b>\$—</b>	<b>\$762.4</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>\$470.9</b>	<b>\$62.0</b>	<b>\$—</b>	<b>\$(47.1)</b>	<b>\$16.0</b>	<b>\$19.5</b>	<b>\$19.2</b>	<b>\$—</b>	<b>\$540.5</b>
Equity in Earnings of Unconsolidated Affiliates	37.2	(24.7)	—	—	—	—	27.1	—	39.6
Interest and Dividend Income	0.4	2.0	—	—	—	(0.3)	—	—	2.1
Interest Expense	(24.6)	—	—	—	—	—	—	—	(24.6)
Other Gains and Losses, net	43.4	2.2	—	—	—	(29.1)	8.0	—	24.5
Other income/(expense) of CIP, net	122.0	—	—	—	—	—	(122.0)	—	—
<b>Income before income taxes</b>	<b>\$649.3</b>	<b>\$41.5</b>	<b>\$—</b>	<b>\$(47.1)</b>	<b>\$16.0</b>	<b>\$(9.9)</b>	<b>\$(67.7)</b>	<b>\$—</b>	<b>\$582.1</b>
Income Tax Provision	(154.2)	(16.0)	—	12.3	5.8	2.3	—	17.0	(132.8)
Net income	495.1	25.5	—	(34.8)	21.8	(7.6)	(67.7)	17.0	449.3
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	(67.6)	(25.5)	—	—	—	—	67.7	—	(25.4)
Dividends declared on preferred shares	(59.2)	—	—	—	—	—	—	—	(59.2)
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>\$368.3</b>	<b>\$—</b>	<b>\$—</b>	<b>\$(34.8)</b>	<b>\$21.8</b>	<b>\$(7.6)</b>	<b>\$—</b>	<b>\$17.0</b>	<b>\$364.7</b>
Diluted EPS	\$0.79						Adjusted diluted EPS		\$0.78
Diluted Shares Outstanding	466.1						Diluted Shares Outstanding		466.1
Operating Margin	27.4%						Adjusted Operating Margin		41.5%

See also the Non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures regarding the reconciliation from US GAAP to non-GAAP measures may be found in prior period Forms 10-K, 10-Q, and 8-K.

(1) In prior periods, amortization of intangible assets was included in the transaction, integration and restructuring line item. Beginning in 2021, amortization of intangible assets is now presented as its own line item. There is no impact on operating expenses, operating income or net income.

\* Third party revenue adjustments include passed through investment management, service and distribution, and other revenues and sum to the same amount as the third-party distribution, service and advisory expenses.

# Reconciliation of US GAAP results to Non-GAAP results

## Three months ended March 31, 2021

Please refer to pages 6-9 in the 1Q 2021 earnings press release for a description of the adjustments

(in millions)	US GAAP basis	Consolidation of joint ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Transaction, integration and restructuring	Amortization of intangibles	Market appreciation / depreciation of deferred compensation awards	Consolidated investment products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>									
Investment Management Fees	\$1,206.6	\$146.5	\$—	\$—	\$—	\$—	\$10.1	\$—	\$1,363.2
Service and Distribution Fees	381.1	—	—	—	—	—	—	—	381.1
Performance Fees	6.7	0.1	—	—	—	—	—	—	6.8
Other	65.3	10.2	—	—	—	—	—	—	75.5
Revenue adjustments*	—	(52.8)	(522.8)	—	—	—	—	—	(575.6)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>\$1,659.7</b>	<b>\$104.0</b>	<b>(\$522.8)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$10.1</b>	<b>\$—</b>	<b>\$1,251.0</b>
<b>Operating Expenses</b>									
Third-Party Distribution, Service and Advisory*	522.8	—	(522.8)	—	—	—	—	—	—
Employee Compensation	489.2	29.5	—	—	—	(13.5)	—	—	505.2
Marketing	15.8	3.0	—	—	—	—	—	—	18.8
Property, Office and Technology	129.3	3.2	—	—	—	—	—	—	132.5
General and Administrative	96.6	1.8	—	—	—	—	(6.9)	—	91.5
Transaction, Integration and Restructuring	45.8	—	—	(45.8)	—	—	—	—	—
Amortization of Intangibles <sup>(1)</sup>	15.9	—	—	—	(15.9)	—	—	—	—
<b>Total Operating Expenses</b>	<b>\$1,315.4</b>	<b>\$37.5</b>	<b>(\$522.8)</b>	<b>(\$45.8)</b>	<b>(\$15.9)</b>	<b>(\$13.5)</b>	<b>(\$6.9)</b>	<b>\$—</b>	<b>\$748.0</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>\$344.3</b>	<b>\$66.5</b>	<b>\$—</b>	<b>\$45.8</b>	<b>\$15.9</b>	<b>\$13.5</b>	<b>\$17.0</b>	<b>\$—</b>	<b>\$503.0</b>
Equity in Earnings of Unconsolidated Affiliates	27.5	(25.1)	—	—	—	—	34.3	—	36.7
Interest and Dividend Income	1.3	1.6	—	—	—	(0.3)	—	—	2.6
Interest Expense	(23.8)	—	—	—	—	—	—	—	(23.8)
Other Gains and Losses, net	34.1	1.2	—	—	—	(15.6)	(1.2)	(8.1)	10.4
Other income/(expense) of CIP, net	94.7	—	—	—	—	—	(94.7)	—	—
<b>Income before income taxes</b>	<b>\$478.1</b>	<b>\$44.2</b>	<b>\$—</b>	<b>\$45.8</b>	<b>\$15.9</b>	<b>(\$2.4)</b>	<b>(\$44.6)</b>	<b>(\$8.1)</b>	<b>\$528.9</b>
Income Tax Provision	(106.5)	(18.1)	—	(10.7)	5.9	0.5	—	1.9	(127.0)
Net income	371.6	26.1	—	35.1	21.8	(1.9)	(44.6)	(6.2)	401.9
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	(44.6)	(26.1)	—	—	—	—	44.6	—	(26.1)
Dividends declared on preferred shares	(59.2)	—	—	—	—	—	—	—	(59.2)
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>\$267.8</b>	<b>\$—</b>	<b>\$—</b>	<b>\$35.1</b>	<b>\$21.8</b>	<b>(\$1.9)</b>	<b>\$—</b>	<b>(\$6.2)</b>	<b>\$316.6</b>
Diluted EPS	\$0.58						Adjusted diluted EPS		\$0.68
Diluted Shares Outstanding	464.7						Diluted Shares Outstanding		464.7
Operating Margin	20.7%						Adjusted Operating Margin		40.2%

See also the Non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures regarding the reconciliation from US GAAP to non-GAAP measures may be found in prior period Forms 10-K, 10-Q, and 8-K.

(1) In prior periods, amortization of intangible assets was included in the transaction, integration and restructuring line item. Beginning in 2021, amortization of intangible assets is now presented as its own line item. There is no impact on operating expenses, operating income or net income.

\* Third party revenue adjustments include passed through investment management, service and distribution, and other revenues and sum to the same amount as the third-party distribution, service and advisory expenses.

# Reconciliation of US GAAP results to Non-GAAP results

(in millions)	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021
Operating Revenues	\$1,720.6	\$1,742.8	\$1,598.9	\$1,419.0	\$1,497.6	\$1,630.1	\$1,659.7	\$1,721.4
Non-GAAP Adjustments	(491.9)	(475.0)	(453.1)	(384.7)	(405.1)	(401.7)	(408.7)	(418.5)
Total Operating Revenues reconciled to net revenues	\$1,228.7	\$1,267.8	\$1,145.8	\$1,034.3	\$1,092.5	\$1,228.4	\$1,251.0	\$1,302.9
Operating Income	\$275.1	\$314.6	\$317.0	\$117.1	\$268.5	\$217.8	\$344.3	\$470.9
Non-GAAP Adjustments	227.5	190.9	95.7	242.6	138.2	267.6	158.7	69.6
Adjusted operating income	\$502.6	\$505.5	\$412.7	\$359.7	\$406.7	\$485.4	\$503.0	\$540.5
Net income attributable to Invesco Ltd.	\$167.1	\$179.8	\$81.5	\$40.5	\$191.7	\$211.1	\$267.8	\$368.3
Non-GAAP Adjustments	158.1	113.8	73.8	119.2	52.3	122.8	48.8	(3.6)
Adjusted net income attributable to Invesco Ltd.	\$325.2	\$293.6	\$155.3	\$159.7	\$244.0	\$333.9	\$316.6	\$364.7

Non-GAAP adjustments include amounts related to the consolidation of our China joint venture, the reclassification of third-party distribution, service and advisory expenses to net revenues, the removal of transaction, integration and restructuring expenses, amortization of intangible assets and market appreciation/depreciation of deferred compensation awards, the deconsolidation of consolidated investment products, and other reconciling items. See also the Non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures regarding the reconciliation from US GAAP to non-GAAP measures may be found in prior period Forms 10-K, 10-Q, and 8-K.

# Footnote disclosures

## Footnotes for Slide 3, Second quarter 2021 highlights

\* For the reconciliations from US GAAP to non-GAAP measures, see the Appendix to this presentation and the non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures may be found in prior period Forms 10-K, 10-Q, and 8-K.

- (1) Includes all ETFs, traditional passive and factor-based funds and accounts
- (2) Includes Direct Real Estate, Private Equity, Private Credit, MLPs and Bank Loans. Excludes certain ETFs, Real Estate Securities, Listed Infrastructure, multi-asset and asset allocation capabilities that comprise the broader Alternatives AUM asset class.
- (3) Includes actively managed fixed income, certain money market and stable value.
- (4) Includes fundamentally managed global, global-ex domestic and global EM equity strategies. Excludes regional, sector, single country equity strategies and quantitative strategies.
- (5) Includes all mandates managed from Hong Kong and Shenzhen.
- (6) Reflects all managed and advisory assets from Invesco Investment Solutions; there is overlap of assets with other areas.

## Footnotes for Slide 5, Assets under management & long-term flows

- (1) Annualized long-term organic growth rate is calculated using net long-term flows (annualized) divided by average long-term AUM for the period
- (2) Retail AUM are distributed by the company's retail sales team and generally include retail products in the U.S., Canada, U.K., Continental Europe, Asia and our offshore product line. Retail AUM and flows exclude money market and non-management fee earning AUM
- (3) Institutional AUM are distributed by the company's institutional sales team and generally includes our institutional investment capabilities in the U.S., Canada, U.K., Continental Europe and Asia. Institutional AUM and flows exclude money market and non-management fee earning AUM

## Footnotes for Slide 6, Assets under management & long-term flows (continued)

- (1) Annualized long-term organic growth rate is calculated using net long-term flows (annualized) divided by average long-term AUM for the period

## Footnotes for Slide 8, Revenues and expenses

Non-GAAP financial measures - For the reconciliations from US GAAP to non-GAAP measures, see the Appendix to this presentation and the non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures may be found in prior period Forms 10-K, 10-Q, and 8-K.

- (1) Third-party includes passed through investment management, service and distribution, and other revenues and sum to the same amount as the third-party distribution, service and advisory expenses.

## Footnotes for Slide 9, Strategic evaluation - annualized net savings

Non-GAAP financial measures - For the reconciliations from US GAAP to non-GAAP measures, see the Appendix to this presentation and the non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures may be found in prior period Forms 10-K, 10-Q, and 8-K.

## Footnotes for Slide 10, Adjusted operating income and profitability

Non-GAAP financial measures - For the reconciliations from US GAAP to non-GAAP measures, see the Appendix to this presentation and the non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures may be found in prior period Forms 10-K, 10-Q, and 8-K.

## Footnotes for Slide 11, Capital management and balance sheet

\*Non-GAAP financial measures - For the reconciliations from US GAAP to non-GAAP measures, see the Appendix to this presentation and the non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures may be found in prior period Forms 10-K, 10-Q, and 8-K.

- (1) Includes amounts related to vesting of employee share awards
- (2) Tables include non-GAAP presentations. Cash held by Consolidated Investment Products (CIP) is not available for use by Invesco. Additionally, there is no recourse to Invesco for CIP debt. The cash flows of CIP do not form part of the company's cash flow mgmt. processes, nor do they form part of the company's significant liquidity evaluations and decisions
- (3) Policyholder assets and liabilities are equal and offsetting and have no impact on Invesco's shareholder's equity. The impact of cash inflows/outflows from policyholder assets and liabilities are reflected within cash flows from operating activities as changes in receivable and/or payables, as applicable
- (4) Seed capital balance, after adjusting for the impact of CIP, that can be liquidated upon short notice (generally within 90 days)
- (5) Renewed and extended in April 2021

## Footnotes for Slide 12, Conclusion

\*Non-GAAP financial measures - For the reconciliations from US GAAP to non-GAAP measures, see the Appendix to this presentation and the non-GAAP Information and Reconciliations section of the current earnings release. Additional detailed information and disclosures may be found in prior period Forms 10-K, 10-Q, and 8-K.

Operating leverage is calculated as the percentage change in operating income divided by the percentage change in operating revenues.

Adjusted operating leverage is calculated as the percentage change in adjusted operating income divided by the percentage change in net revenues.