



Gresham House
Specialist asset management

Capturing the growth opportunity

Interim Report and Accounts for the half-year ended 30 June 2022

Gresham House plc | September 2022



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Agenda

About Gresham House

2022 highlights

AUM and financials

Strategic priorities

Outlook

Q&A



Gresham House
Specialist asset management

Specialists in alternatives

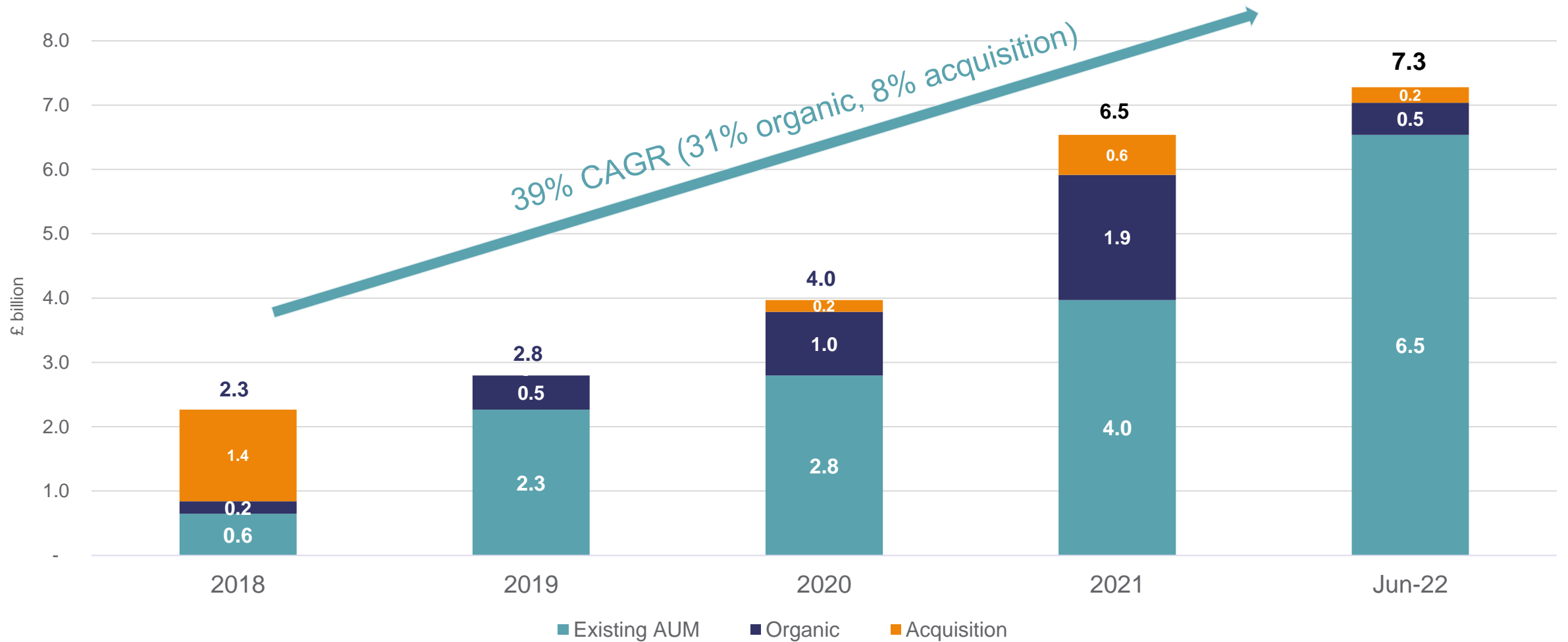
Gresham House is a specialist alternative asset management group, quoted on the London Stock Exchange (*GHE.LN / market cap c.£300mn¹*), providing funds, direct investments and tailored investment solutions, including co-investment.

- Specialists in five areas of alternative investment
- Growing organically and through acquisition, developing our investment pipeline
- Committed to operating responsibly and sustainably, building long-term value across our portfolio



1. As at 30 June 2022, Gresham House plc

AUM growth



As at 30 June 2022, Gresham House.

Past performance is not a reliable indicator of future performance.

A low-angle photograph of tall, thin trees reaching towards a bright sky. The trees are dark brown and green, with their trunks converging towards the top center. The sky is a clear, bright blue. A semi-transparent green overlay covers the left side of the image, creating a gradient effect. The text "Interim results" is written in white, bold, sans-serif font in the lower-left corner of the green overlay.

Interim results



H1 2022 highlights

£7.3bn +11%

Assets under management

as at 30 June 2022

£37.2mn +61%

Total net core income

for the six months to 30 June 2022

£13.2mn +91%

Adjusted operating profit¹

for the six months to 30 June 2022

35%

Adjusted operating margin

for the six months to 30 June 2022

£69.7mn

Cash and liquid assets²

as at 30 June 2022

15.5%

Return on capital employed³

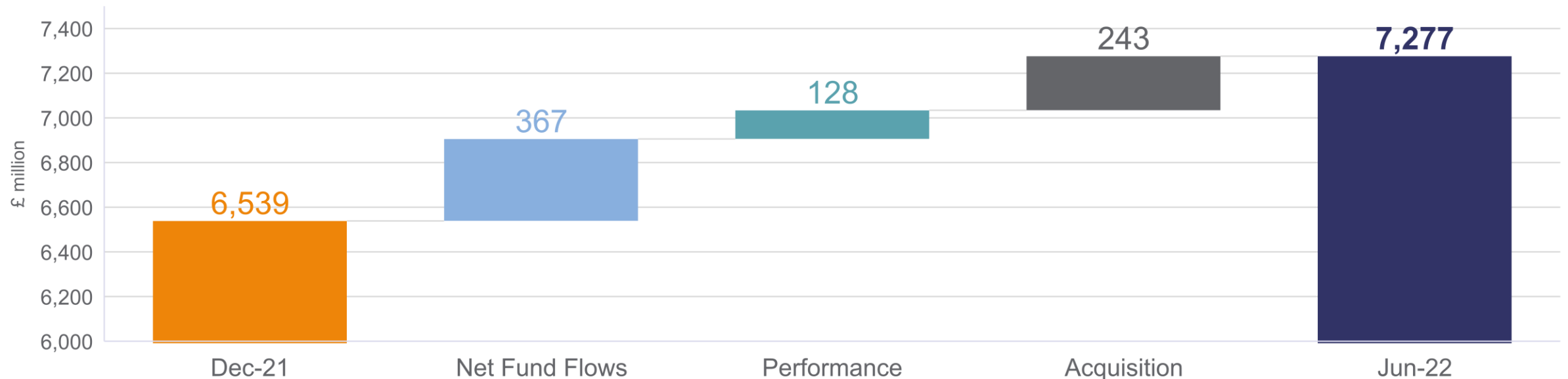
for the six months to 30 June 2022

Past performance is not a reliable indicator of future performance.

1. Adjusted operating profit is defined as the net trading profit of the Group after charging interest but before depreciation, amortisation, share-based payments relating to acquisitions, profits and losses on disposal of tangible fixed assets, net performance fees, net development gains, exceptional items and non-core activities
2. Cash and liquid assets includes cash and investments in tangible and realisable assets
3. Return on capital employed is defined as adjusted operating profit, plus net performance fees, net realised gains on development activity and fair value movements in investments, less fair value movement in contingent consideration, divided by opening new assets, adjusted for shares issued in the year

H1 2022 AUM

- AUM grew by 11% in the first six months of the year to £7.3bn (Dec 2021: £6.5bn)
- Achieved through organic growth of £498mn (8%) and acquisition growth of £243mn (3%)
- Net fund inflows totalling £367mn - £150mn oversubscribed equity raise for GRID



Figures from 31 December 2021 to 30 June 2022.

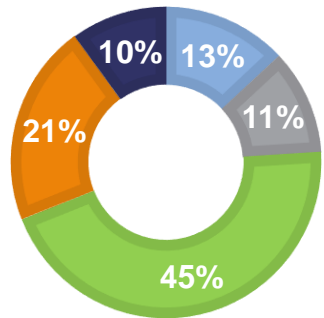
1. Including funds raised, redemptions and distributions.

Past performance is not a reliable indicator of future performance. Capital at risk.



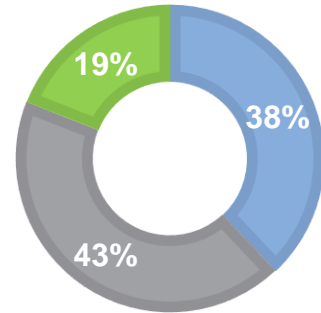
Quality and diversification of AUM

AUM by strategy



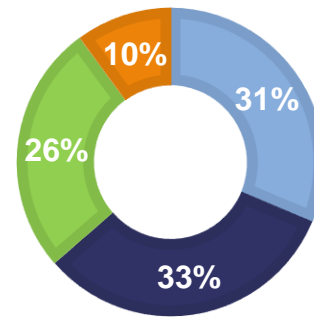
- Public Equity
- Private Equity
- Forestry
- New Energy & Sustainable Infrastructure
- Real Estate / UK Housing

AUM by client



- Wholesale/retail
- Institutional/LGPS/Charity
- HNW/Family Office

AUM by fund



- Listed
- Limited Partnership
- Segregated mandate
- Open-ended

- Operate in specialist markets with average gross revenue margin of c.1%
- Asset classes less correlated to equity market movements
- Long-term lock up funds
- 14-year weighted average LP fund life
- c.90% AUM in closed-ended or listed vehicles

Income statement

Exceptional growth in a challenging environment

£37.2mn +61%

Total net core income
for the six months to 30 June 2022

26%

Organic growth in net core income
for the six months to 30 June 2022

35%

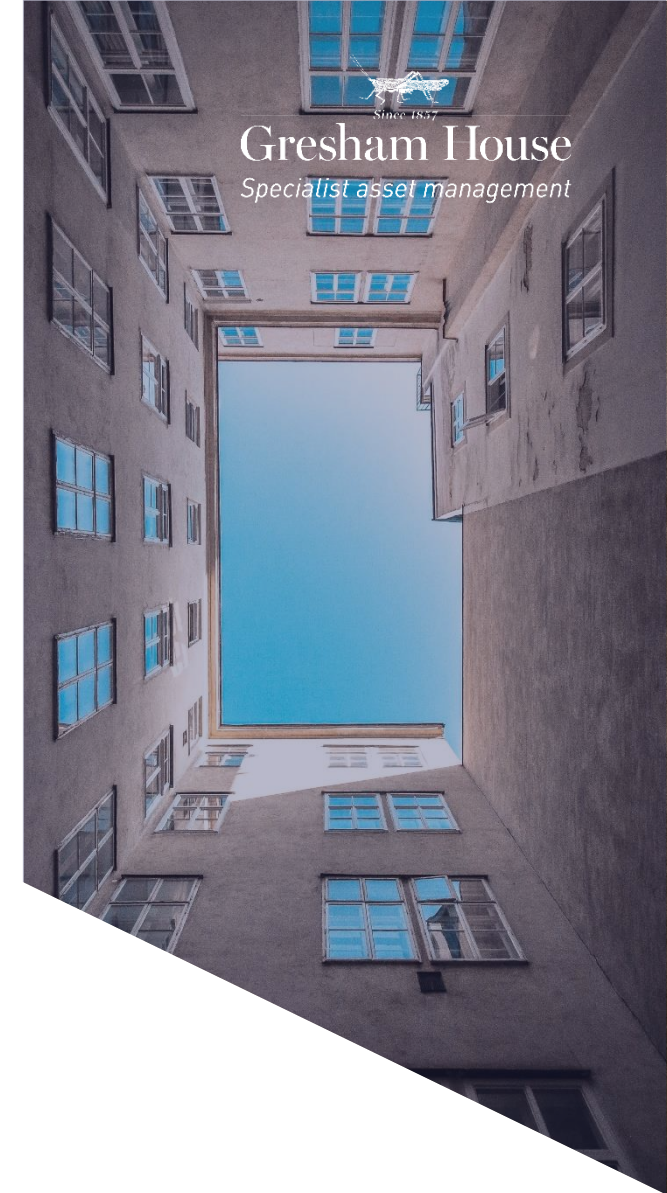
Adjusted operating margin improvement
for the six months to 30 June 2022

91%

Adjusted operating profit increase
for the six months to 30 June 2022

As at 30 June 2022, Gresham House.

Past performance is not a reliable indicator of future performance. Capital at risk.



Balance sheet

Strong balance sheet, well positioned to grow

£69.7mn

Cash and investments

as at 30 June 2022

£28.1mn

Cash

as at 30 June 2022

£20mn

Undrawn RCF available

for the six months to 30 June 2022

**Invested in development activity
and other key initiatives to grow
AUM and align with clients**



Past performance is not a reliable indicator of future performance.

1. The above presentation of the Group's balance sheet highlights the Group's direct exposure to those vehicles and entities that it has invested in. We have therefore adjusted the IFRS statement of financial position for the following items which are required to be consolidated under IFRS 10 to present the Group on an investment basis: DevCo Projects - included the "Assets of a disposal group held for sale" (£15.7m) and "Liabilities of a disposal group classified as held for sale" (£6.4m); included "investment in associates" (£11.0m); included "investments in development projects (£2.0m); Gresham House Forestry Friends and Family Fund LP - reduced the value by the non-controlling interest amount (£0.8m) to show the Group's underlying exposure to this fund.

Cash flow

Investing to grow the business

£14.8mn

Invested in
Devco projects

£11.8mn

Generated from sale of
Rockwood Realisation plc stake¹

£4.1mn

Invested in funds or
related entities
managed by the Group

10p

Dividend paid in
May 2022

£6.9mn

Deferred consideration paid
(Mobeus and Livingbridge)

£28.1mn

Closing cash balance
as at 30 June 2022

1. Formerly Gresham House Strategic plc

Past performance is not a reliable indicator of future performance. Capital at risk.





Strategic priorities

Gresham House five-year plan: GH25

Financial targets

- Double shareholder value
- AUM **£8bn+**
- EBITDA margins 40%+
- ROCE 15%+ **increased to +20%**¹
- **Dividend policy of 3x cover**²

Strategic targets

- Leaders in ESG and sustainable investing
- Majority investment products outperforming
- Significant market share in specialist products
- International presence established
- Client diversification and depth
- Gresham House brand and goodwill recognition

GH
25

1. Return on Capital Employed (ROCE) defined as (adjusted operating profit + net performance fees + net Development Gains) / opening Net Assets.

Target is over the medium term by the end of GH25

2. Target adjusted operating profit cover by the end of GH25

Targets only and not guaranteed.

Text in teal refers to amendments made to GH25 targets at December 2021 Annual Results.

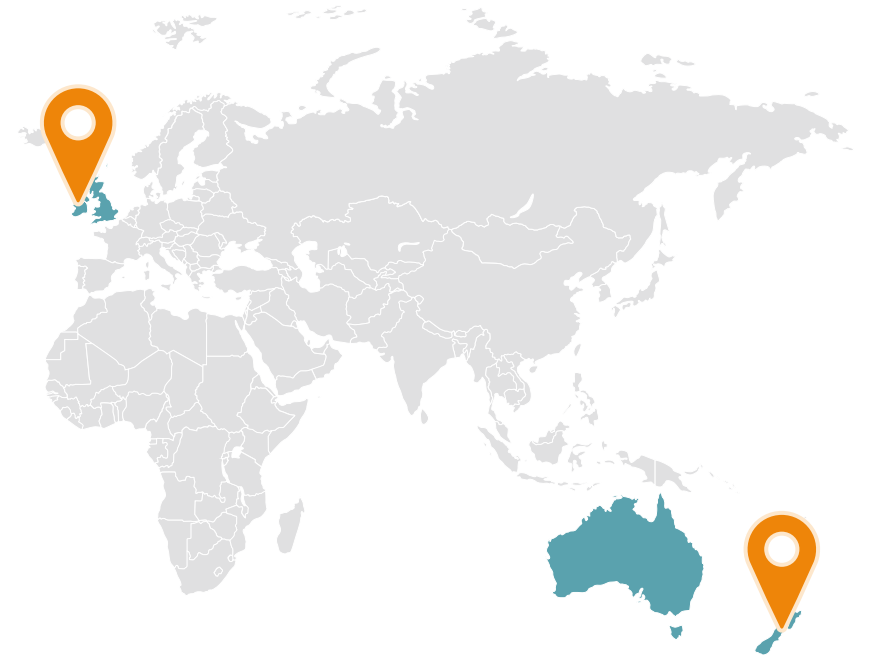


Strategic highlights

- Progress on international activity
 - Acquired Burlington Real Estate in March 2022 adding £243mn to AUM
 - Acquired New Zealand carbon credit portfolio on behalf of institutional client
 - GRID expanded its investment policy to include international activity
- Client diversification and depth
 - Increase in number of institutional and discretionary wealth management clients



Delivering our strategy based on the long-term underlying nature of our asset classes and funds.



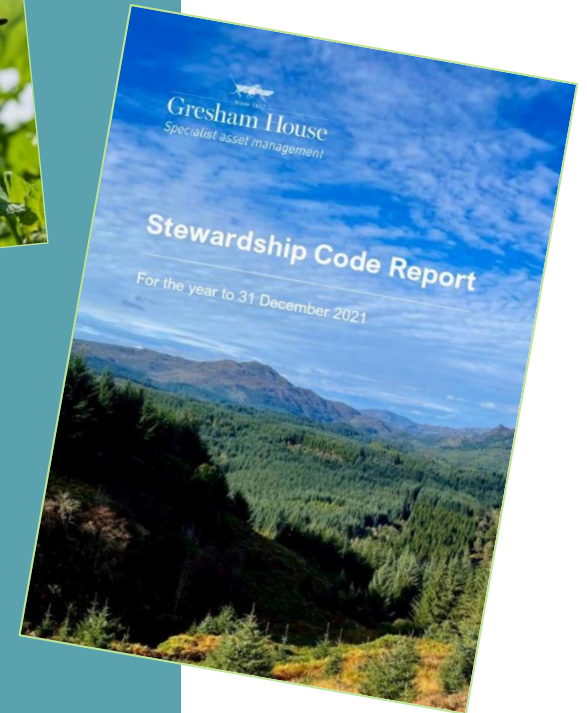
Sustainability highlights

- Setting a net-zero strategy over the near term with science-based targets
- Embedded the new Sustainability Executive Committee into our broader sustainability governance structure
- Met the expected standard of reporting to remain a signatory to the UK Stewardship Code
- Awarded 4 or 5 stars out of 5 in all modules for our 2021 PRI Report

Signatory of:



- Infrastructure ★★★★★
- Real Estate ★★★★★
- Private Equity ★★★★★
- Listed Equity - voting ★★★★★
- Listed Equity - incorporation ★★★★★
- Investment & Stewardship Policy ★★★★★





2022 achievements and growth priorities

Real Assets



Forestry

- Raised **£75mn** in Forest Fund VI LP
- **New Zealand £49mn** carbon credits forestry acquisition



New Energy & Sustainable Infrastructure

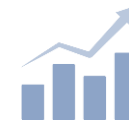
- GRID raised **£150mn**
- **£15mn** invested in DevCo battery energy storage projects
- **BSIF II** close planned for H2



Real Estate

- Gresham House ReSI LP raised **£65mn** in H1
- Residential Secure Income plc raised **£15mn** in H1

Strategic Equity



Public Equity

- Net inflows into open-ended funds in H1 with **new** discretionary wealth managers added as clients



Private Equity

- Raised **£70mn** across VCT platform in H1 - Baronsmead and Mobeus VCTs

The investment case

Quality of earnings and long-term revenue visibility

£ 14 year average contract life of LP funds

£ 90% of AUM in closed-ended / listed vehicles

£ High gross revenue margins

Proven acquisition and investment track record

 Acquisition performance typically **20%+ ROCE**

 **Balance sheet capital** accelerates AUM growth

Delivering strategic goals

 Organic growth of **50%** in 2021

 Sustainability leadership

 International expansion into Ireland and Australia

Long-term alignment

 Senior management and employees own **c.10%**

 **LTIP** aligned with GH25 delivery and shareholder value

Past performance is not necessarily an indicator of future performance. Capital at risk.

Outlook

■ Structural growth tailwinds

- Allocations to alternative investments forecast to continue growth
- Investors looking for investments with inflation-linkage

■ Investing to grow

- Net cash of £28.1mn and unused £20mn revolving credit facility available to support further investment to grow the business
- Expected to commission battery energy storage projects for GRID generating gains in H2 for the Group

■ Promising pipeline

- An increase in the number of institutional clients, building the depth in the Group's client base



A photograph of a field of lupines in bloom at sunset. The field is filled with tall green stalks and clusters of purple, pink, and white flowers. In the background, there is a line of trees and a bright orange and yellow sun setting behind them. A large, semi-transparent teal shape is overlaid on the left side of the image, extending diagonally from the top left towards the bottom right.

Q&A