

Cohen & Steers: Q1 2021 Earnings Presentation

COHEN & STEERS

Summary of First Quarter 2021 Results

Assets Under Management

- March 31, 2021 AUM was \$87.0 billion versus \$79.9 billion at December 31, 2020
- Average AUM was \$82.8 billion for Q1 2021 versus \$75.4 billion for Q4 2020

Flows

- Net inflows of \$3.8 billion in Q1 2021 versus net inflows of \$3.9 billion in Q4 2020
- Net inflows in open-end funds, advisory, and subadvisory ex. Japan
- Net outflows in Japan subadvisory

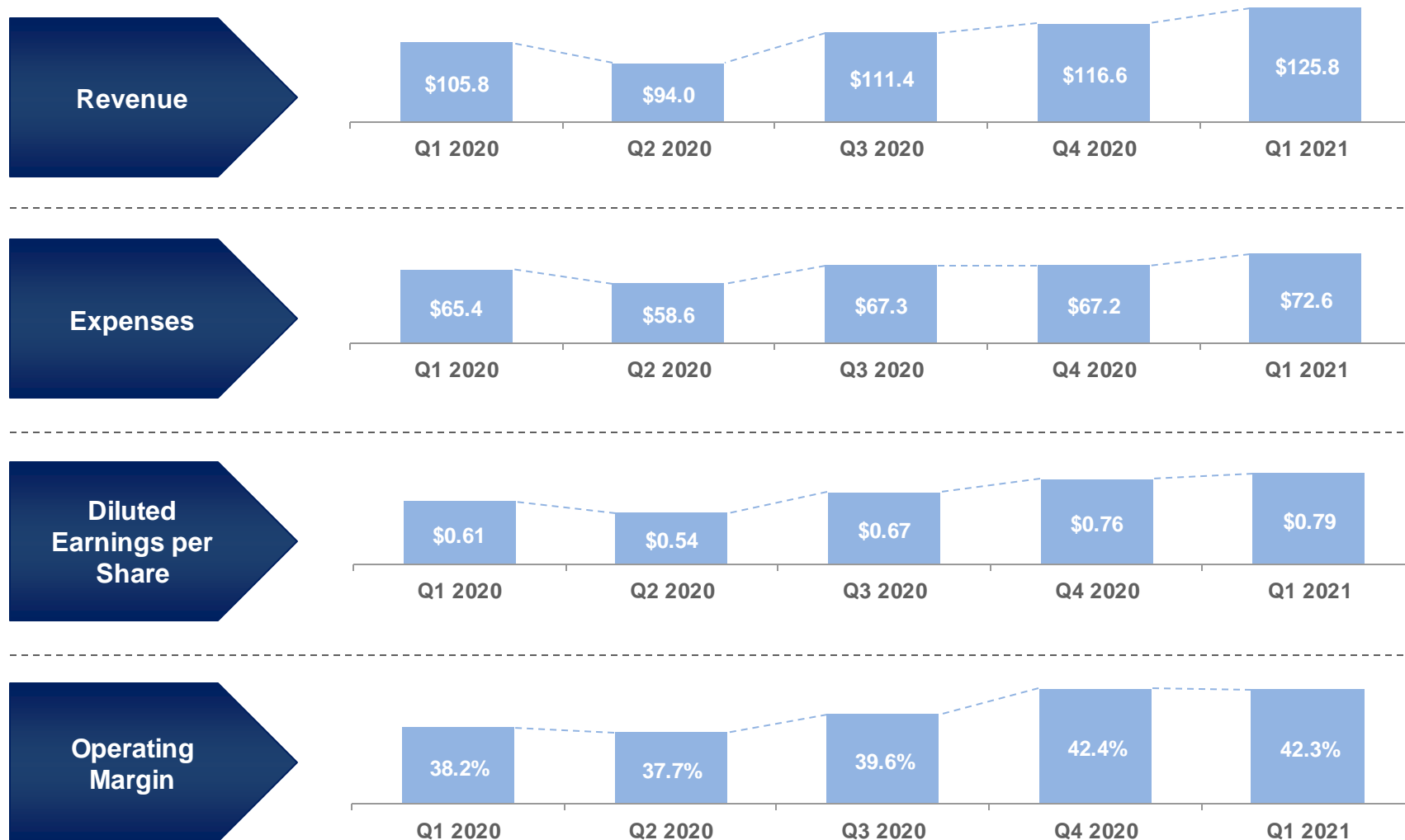
Financial Results, as adjusted

- Net income was \$38.6 million in Q1 2021 versus \$37.1 million in Q4 2020
- Diluted EPS of \$0.79 in Q1 2021 versus \$0.76 in Q4 2020
- Operating margin was 42.3% in Q1 2021 versus 42.4% in Q4 2020

Please see pages 16-19 of this presentation for reconciliations of U.S. GAAP to As Adjusted results.

Financial Results, as adjusted

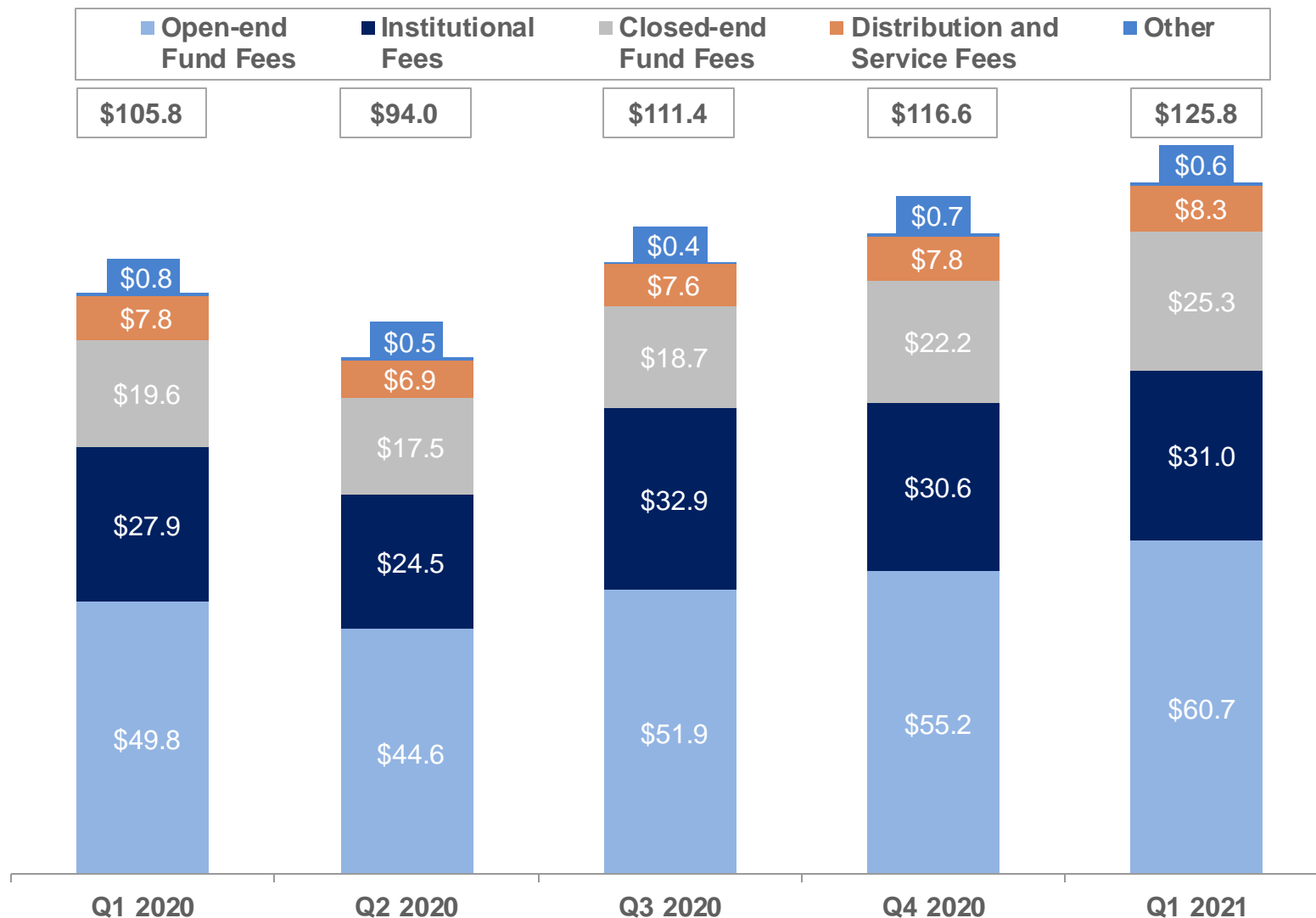
\$ in millions, except earnings per share and percentages



Please see pages 16-19 of this presentation for reconciliations of U.S. GAAP to As Adjusted results.

Revenue, as adjusted

\$ in millions

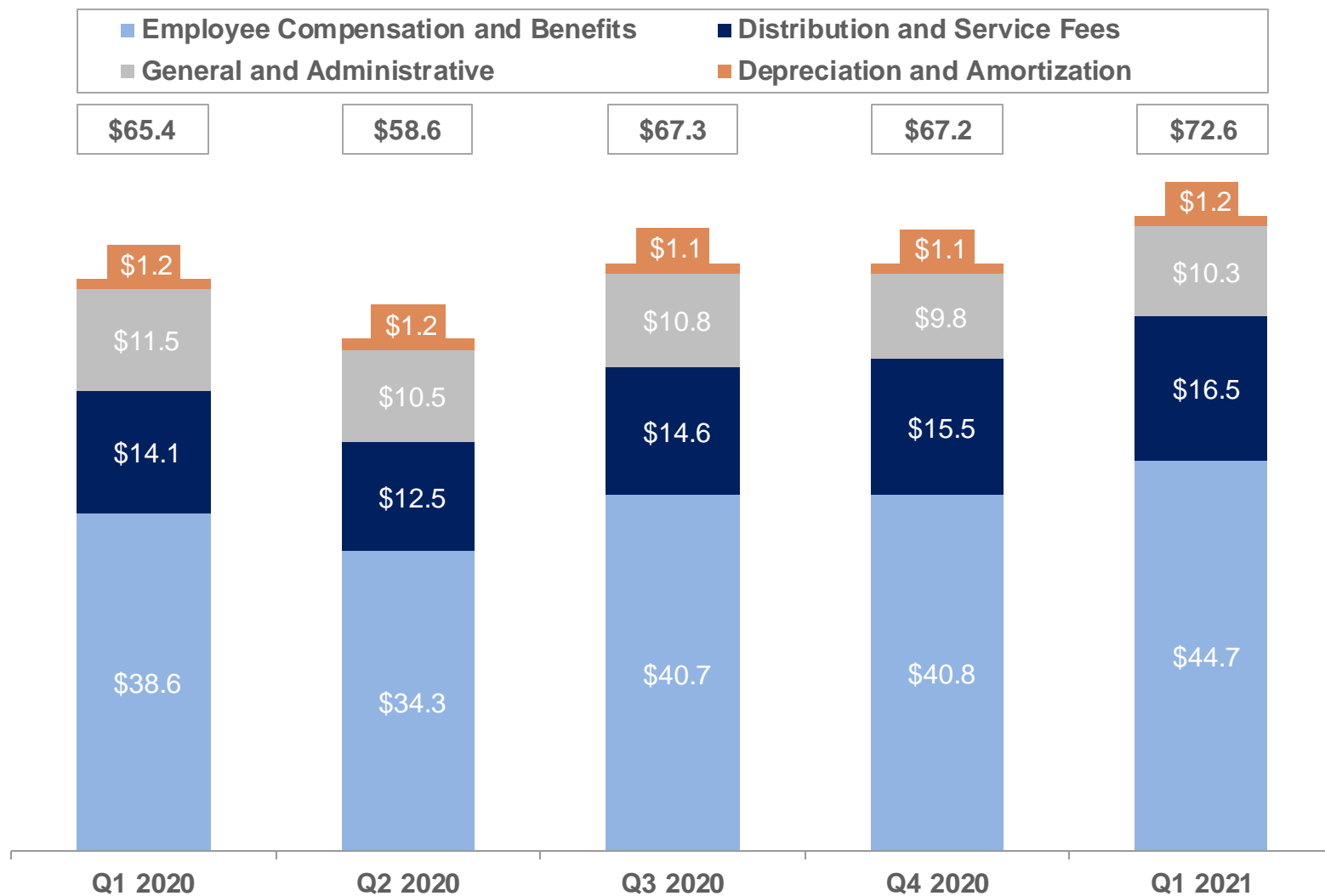


Please see pages 16-19 of this presentation for reconciliations of U.S. GAAP to As Adjusted results.

4 Totals may not foot due to rounding.

Expenses, as adjusted

\$ in millions

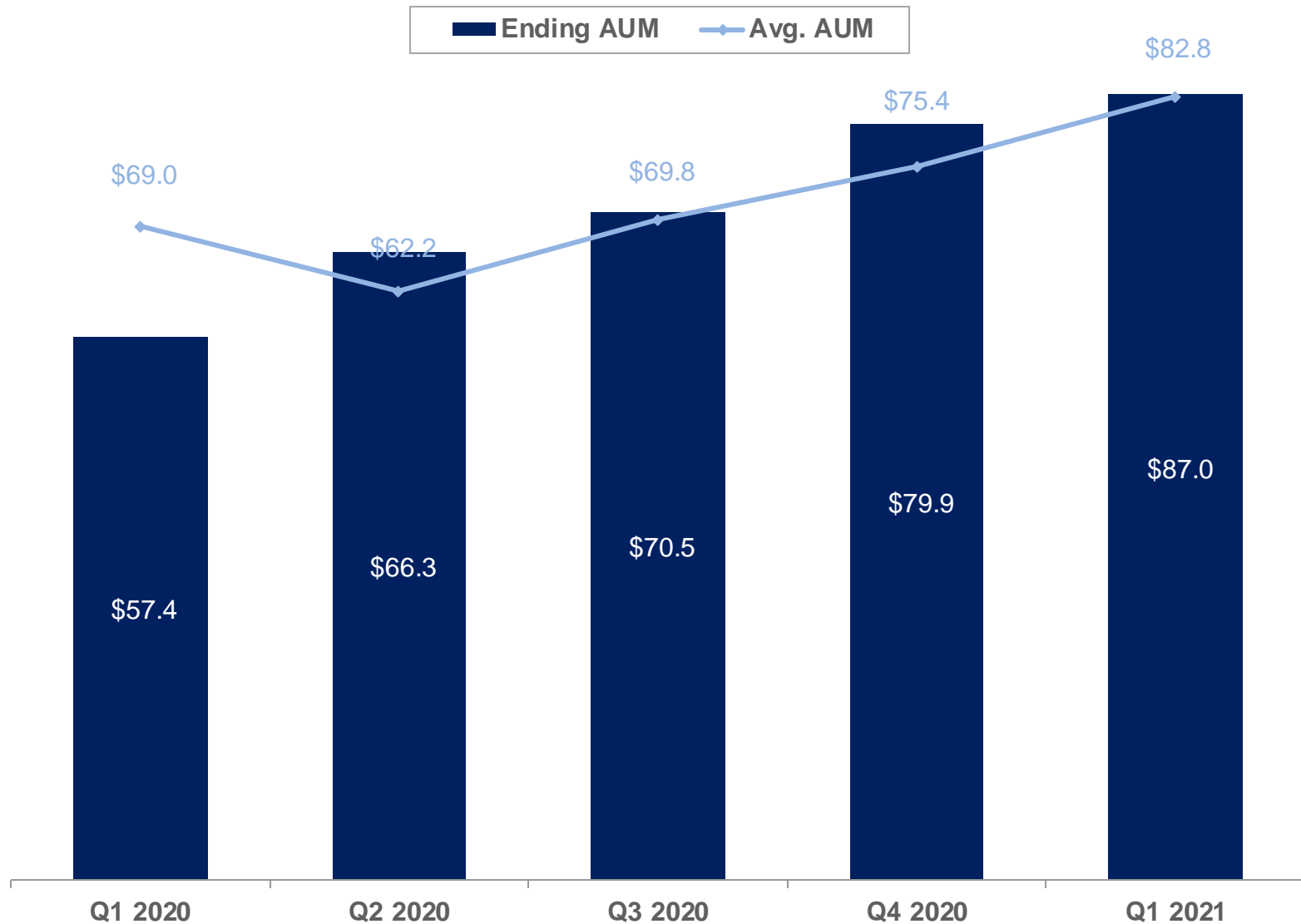


Please see pages 16-19 of this presentation for reconciliations of U.S. GAAP to As Adjusted results.

5 Totals may not foot due to rounding.

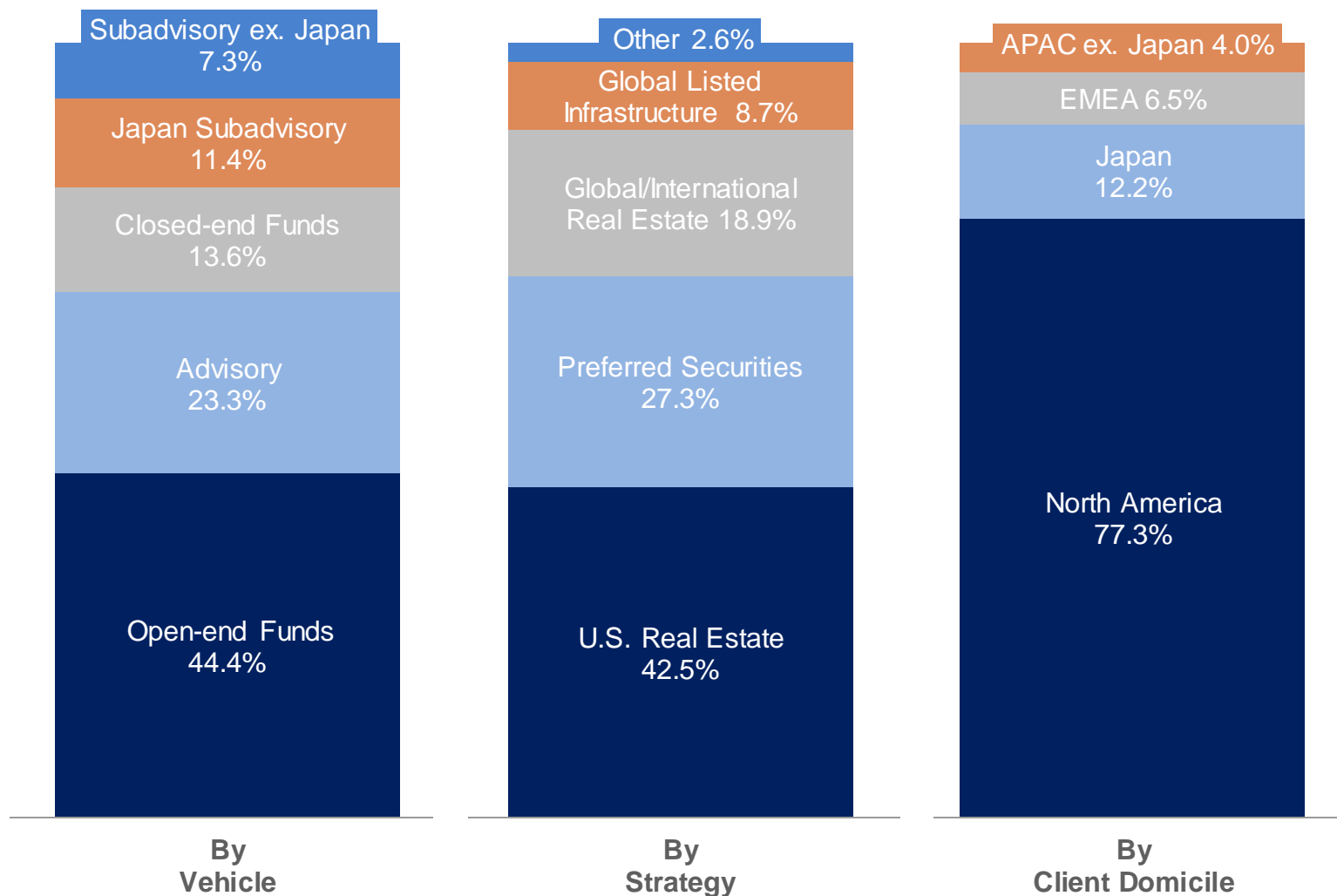
Assets Under Management

\$ in billions



Assets Under Management

Across Vehicle, Strategy, and Client Domicile



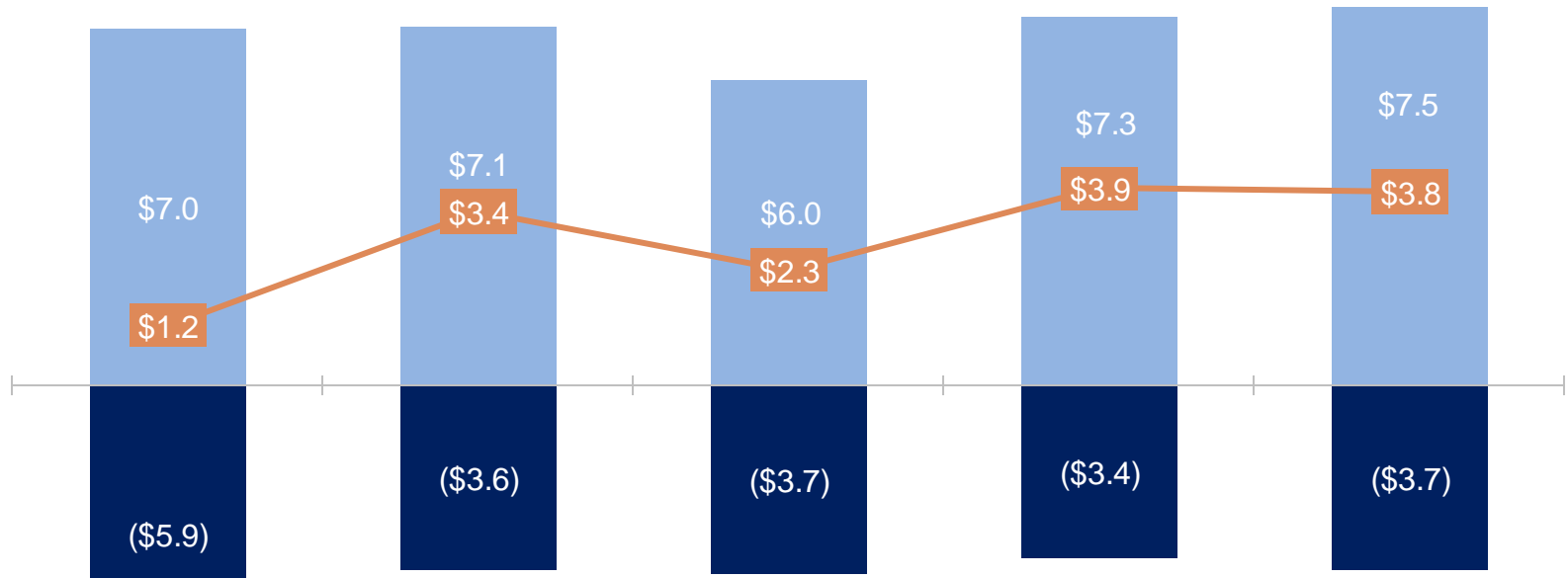
7 As of March 31, 2021.
Totals may not foot due to rounding.

Total Firm Net Flows

\$ in billions



Organic Growth/
(Decay)



Q1 2020

Q2 2020

Q3 2020

Q4 2020

Q1 2021

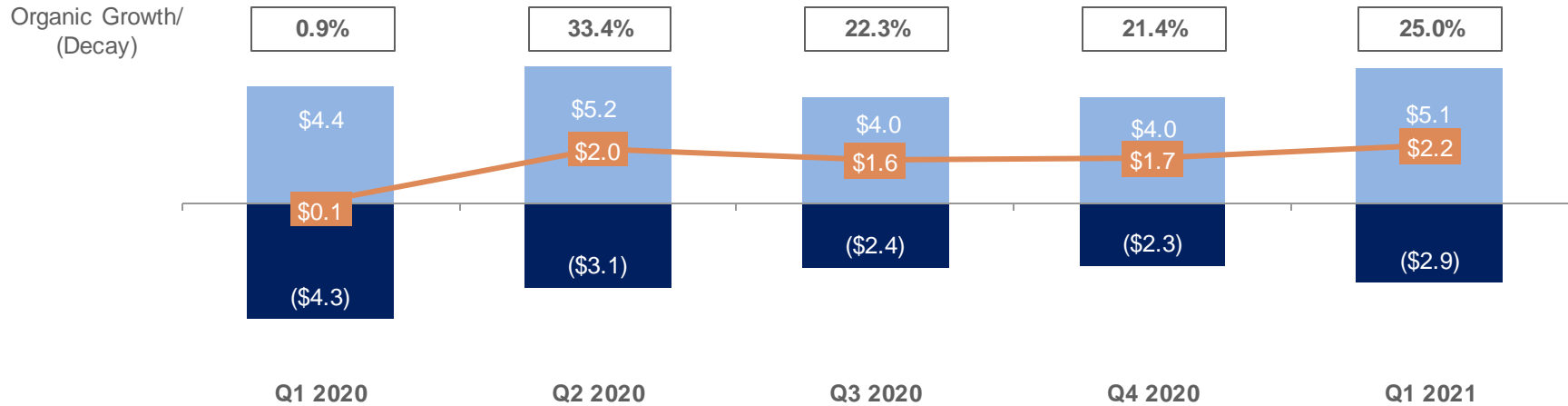
8 Totals may not foot due to rounding.

Net Flows by Investment Vehicle

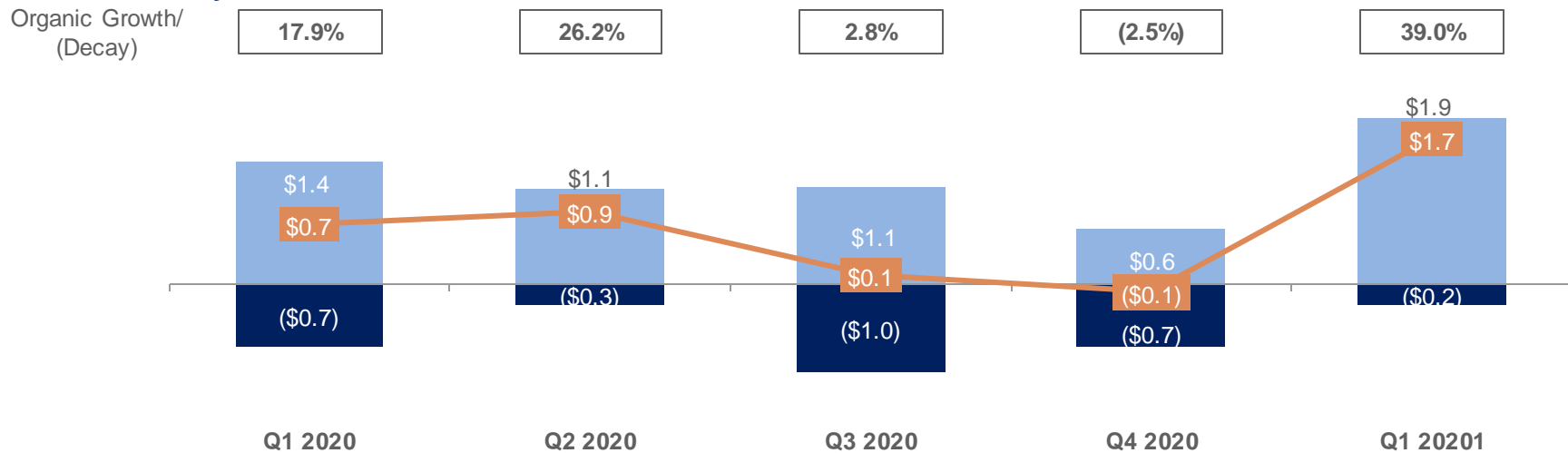
\$ in billions



Open-end Funds



Advisory



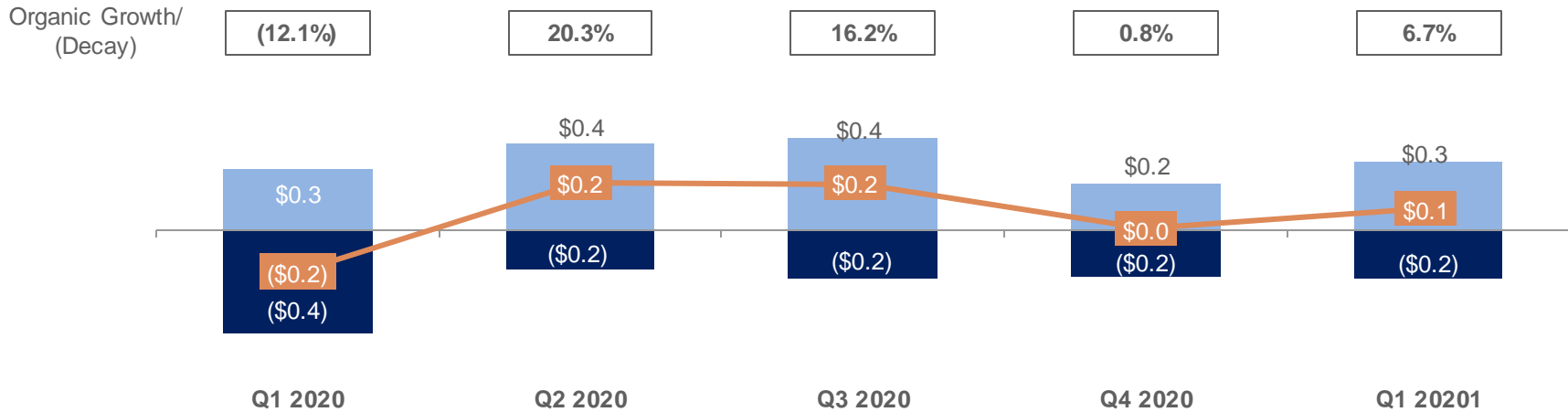
9 Totals may not foot due to rounding.

Net Flows by Investment Vehicle

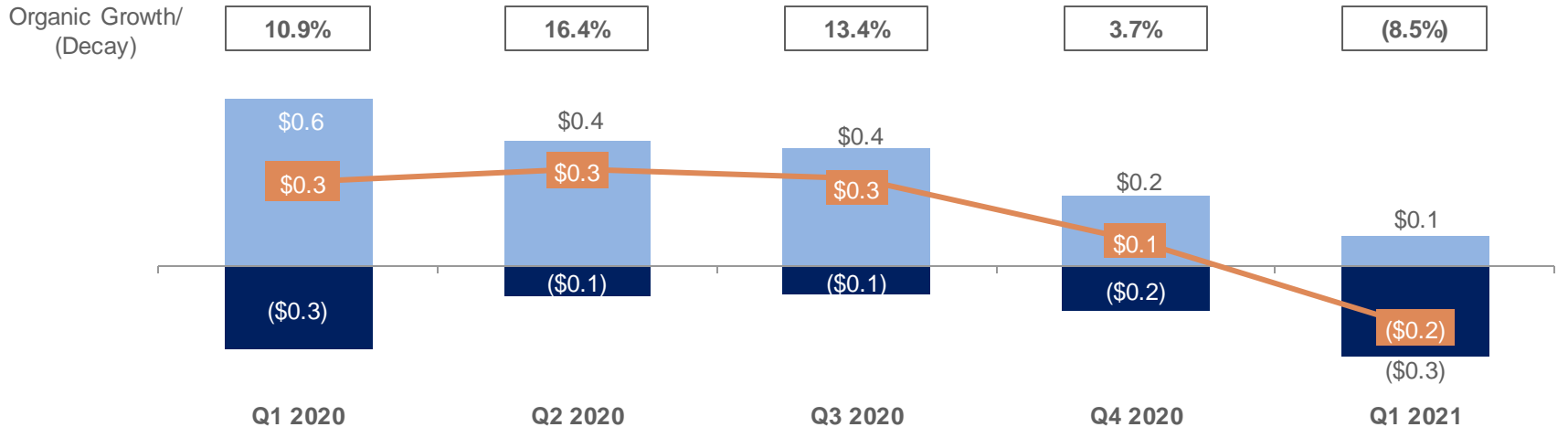
\$ in billions



Subadvisory ex. Japan



Japan Subadvisory



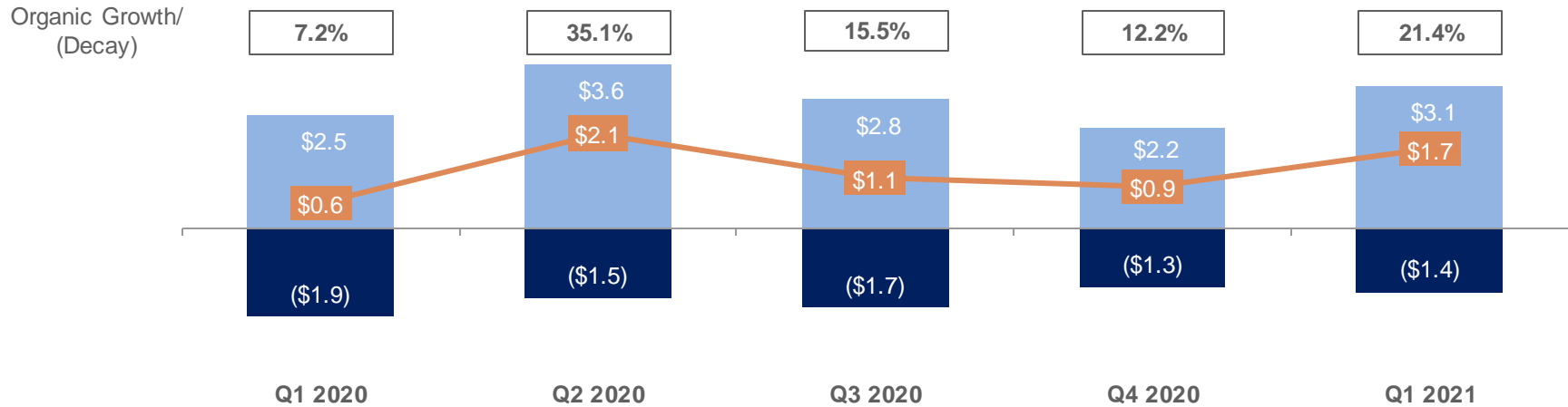
10 Totals may not foot due to rounding.

Net Flows by Investment Strategy

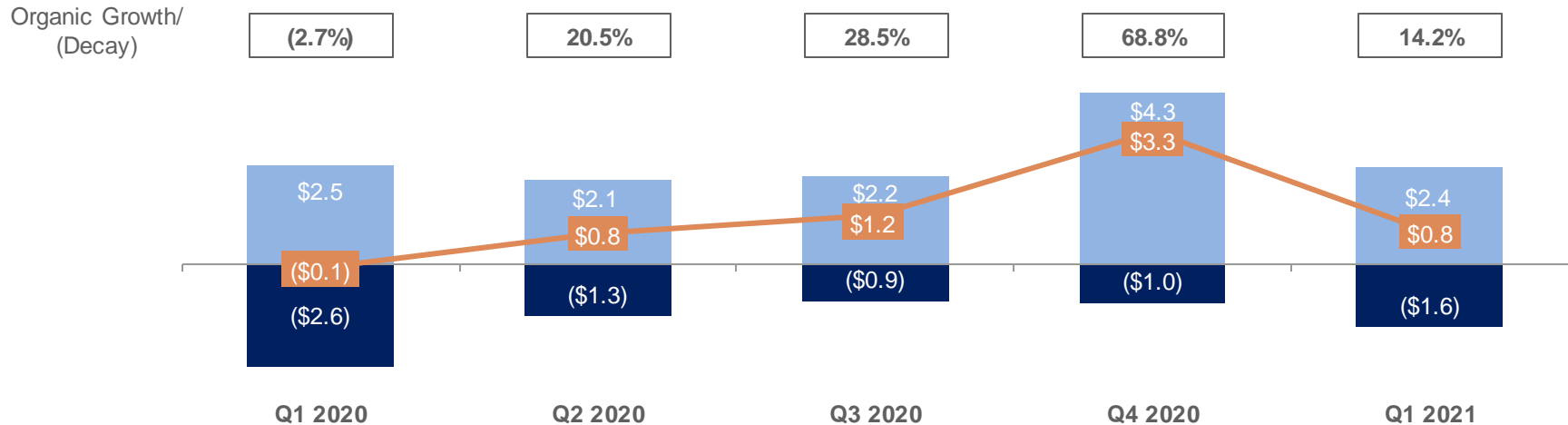
\$ in billions



U.S. Real Estate



Preferred Securities



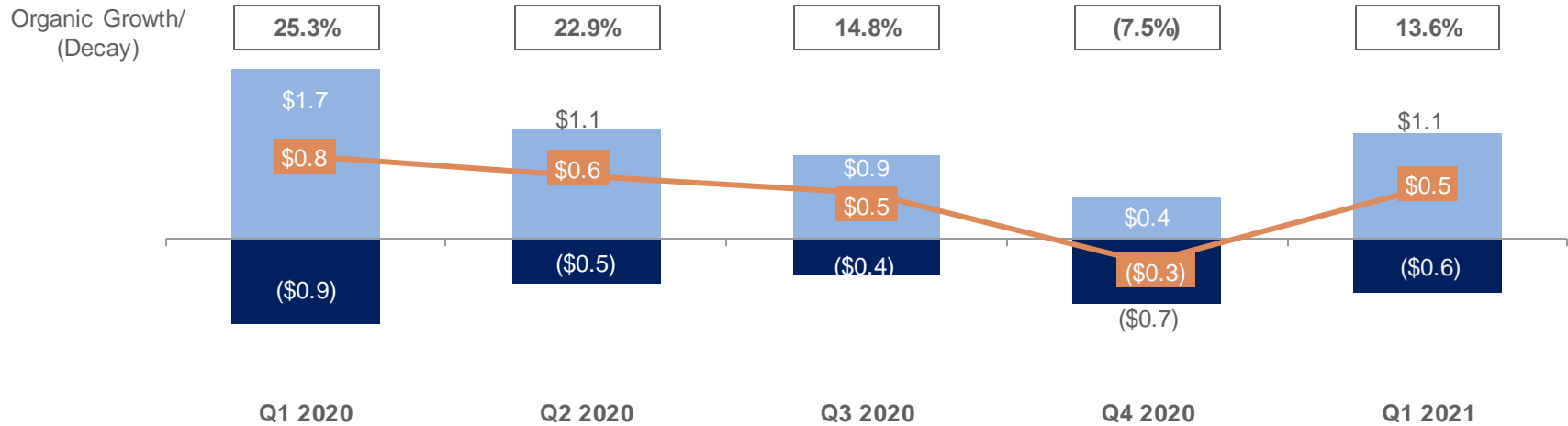
11 Totals may not foot due to rounding.

Net Flows by Investment Strategy

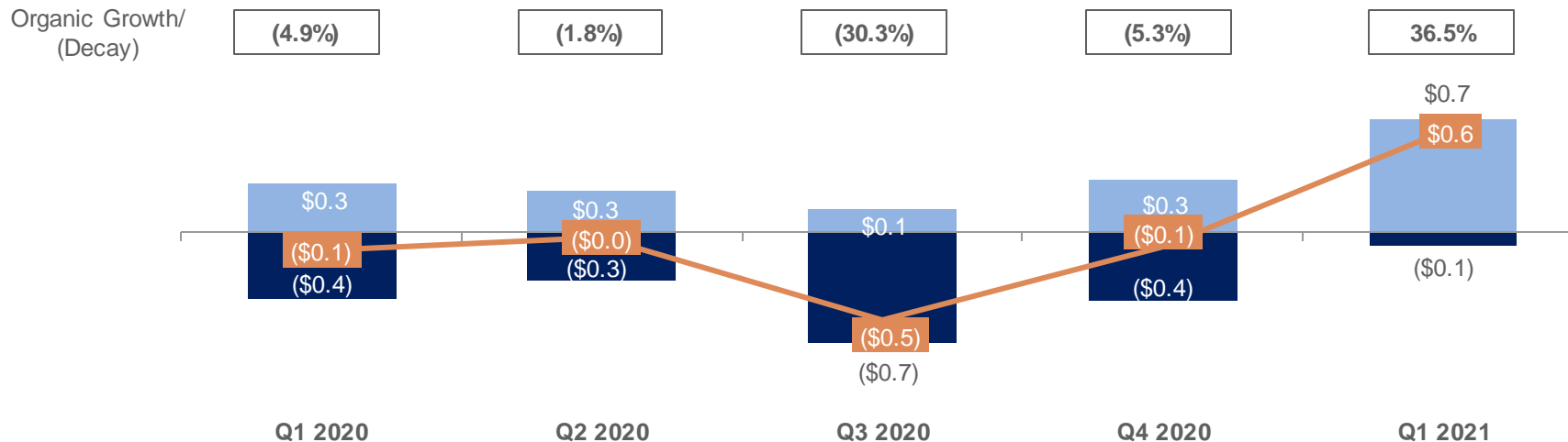
\$ in billions



Global/International Real Estate



Global Listed Infrastructure

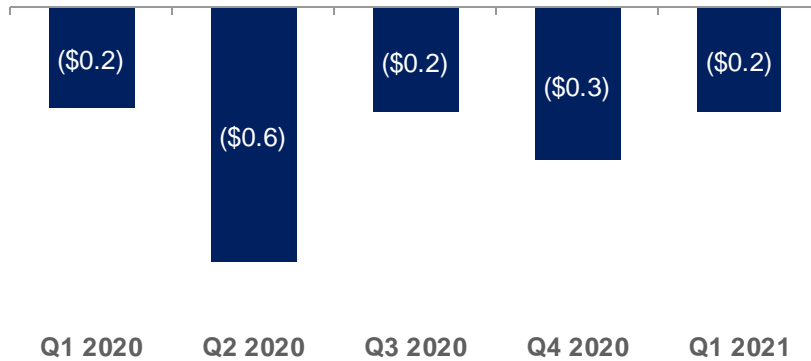


¹² Totals may not foot due to rounding.

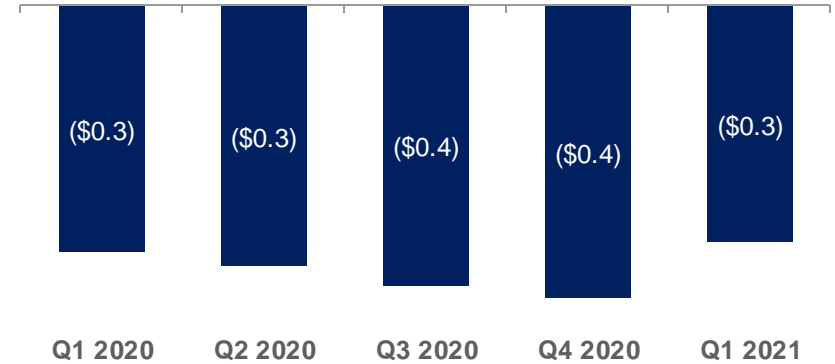
Distributions by Investment Vehicle

\$ in billions

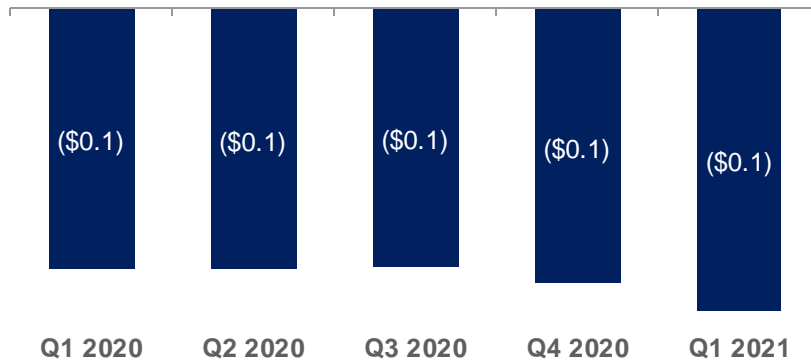
Open-end Funds



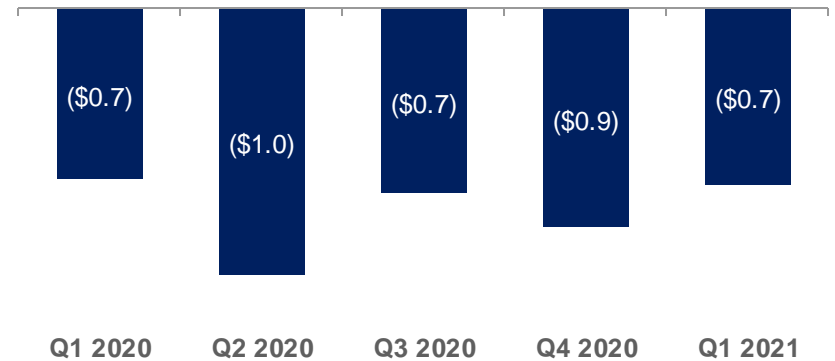
Japan Subadvisory



Closed-end Funds

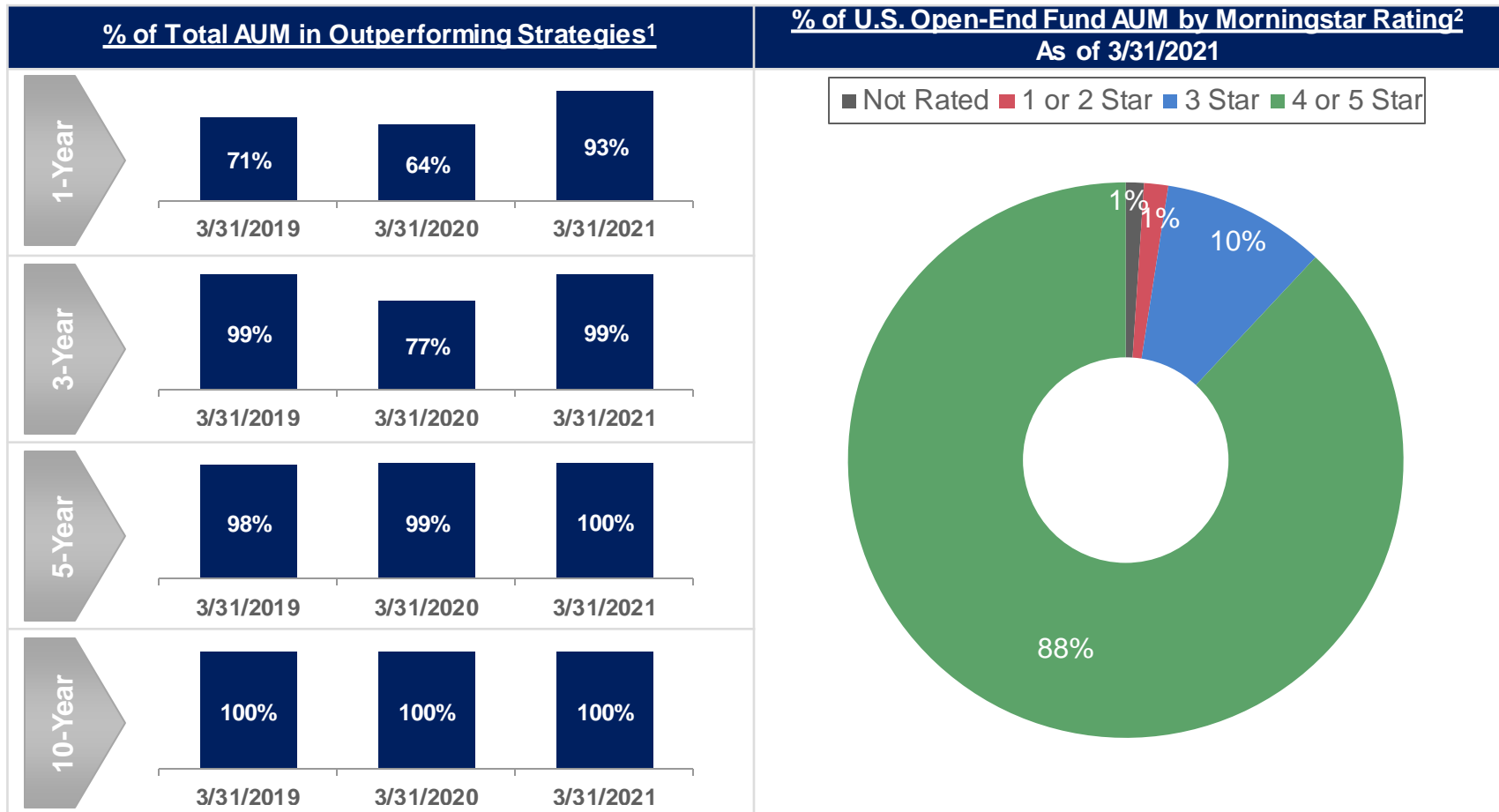


Total



13 Totals may not foot due to rounding.

Investment Performance

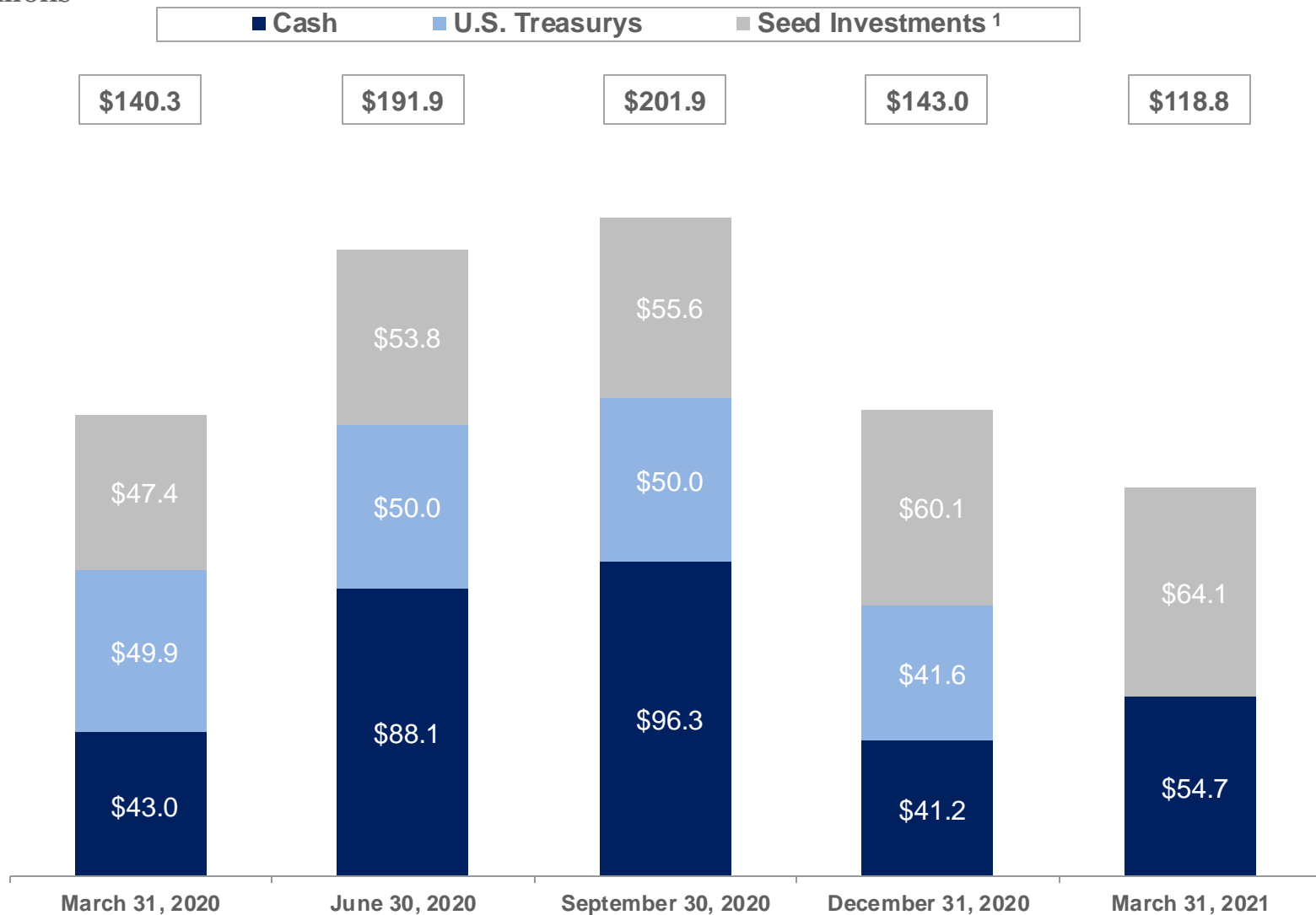


¹ Past performance is no guarantee of future results. Outperformance is determined by comparing the annualized investment performance of each investment strategy to the performance of specified reference benchmarks. Investment performance in excess of the performance of the benchmark is considered outperformance. The investment performance calculation of each investment strategy is based on all active accounts and investment models pursuing similar investment objectives. For accounts, actual investment performance is measured gross of fees and net of withholding taxes. For investment models, for which actual investment performance does not exist, the investment performance of a composite of accounts pursuing comparable investment objectives is used as a proxy for actual investment performance. The performance of the specified reference benchmark for each account and investment model is measured net of withholding taxes, where applicable. This is not investment advice and may not be construed as sales or marketing material for any financial product or service sponsored or provided by Cohen & Steers.

² Past performance is no guarantee of future results. Based on independent rating by Morningstar, Inc. of investment performance of each Cohen & Steers-sponsored open-end U.S.-registered mutual fund for all share classes for the overall period as of March 31, 2021. Overall Morningstar rating is a weighted average based on the 3-year, 5-year and 10-year Morningstar rating. Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages. This is not investment advice and may not be construed as sales or marketing material for any financial product or service sponsored or provided by Cohen & Steers. See Legal Disclosures on page 20 of this presentation for more information about our investment performance.

Cash, Cash Equivalents, U.S. Treasurys and Seed Investments

\$ in millions



¹ Excludes certain illiquid seed investments, amounts pledged as collateral, and amounts attributable to third-party interests in consolidated seed investments.

15 Totals may not foot due to rounding.

Reconciliation of U.S. GAAP to As Adjusted Results

Net Income (Loss) Attributable to Common Stockholders and Diluted Earnings per Share

\$ in thousands, except per share data

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Net income (loss) attributable to common stockholders, U.S. GAAP	\$20,572	\$28,520	\$31,904	(\$4,412)	\$48,852
Seed investments ⁽¹⁾	9,588	(3,885)	(1,686)	(2,574)	(1,512)
Accelerated vesting of restricted stock units	—	—	387	387	1,088
Initial public offering costs ⁽²⁾	—	—	310	60,249	—
Rights offering costs ⁽³⁾	11,859	—	—	—	—
Other non-recurring expenses ⁽⁴⁾	—	—	—	500	—
Foreign currency exchange (gains) losses – net ⁽⁵⁾	(1,927)	(117)	1,232	1,683	209
Tax adjustments ⁽⁶⁾	(10,653)	1,636	469	(18,751)	(10,008)
Net income attributable to common stockholders, as adjusted	\$29,439	\$26,154	\$32,616	\$37,082	\$38,629
Diluted weighted average shares outstanding	48,591	48,572	48,681	48,857	48,709
Diluted earnings (loss) per share, U.S. GAAP	\$0.42	\$0.59	\$0.66	(\$0.09)	\$1.00
Seed investments	0.20	(0.08)	(0.04)	(0.05)	(0.03)
Accelerated vesting of restricted stock units	—	—	0.01	0.01	0.02
Initial public offering costs	—	—	0.01	1.23	—
Rights offering costs	0.25	—	—	—	—
Other non-recurring expenses	—	—	—	0.01	—
Foreign currency exchange (gains) losses – net	(0.04)	—*	0.02	0.03	0.01
Tax adjustments	(0.22)	0.03	0.01	(0.38)	(0.21)
Diluted earnings per share, as adjusted	\$0.61	\$0.54	\$0.67	\$0.76	\$0.79

* Amounts round to less than \$0.01 per share.

(1) Represents amounts related to the deconsolidation of seed investments in Company-sponsored funds as well as non-operating (income) loss from seed investments that were not consolidated.

(2) Represents costs associated with the initial public offering of the Cohen & Steers Tax-Advantaged Preferred Securities and Income Fund (PTA). Costs are summarized in the following table:

Employee compensation and benefits	\$—	\$—	\$—	\$1,317	\$—
Distribution and service fees	—	—	—	57,818	—
General and administrative	—	—	310	1,114	—
Initial public offering costs	\$—	\$—	\$310	\$60,249	\$—

(3) Represents costs associated with the Cohen & Steers Quality Income Realty Fund, Inc. (RQI) rights offering which were recorded in general and administrative expense in the first quarter of 2020.

(4) Represents non-recurring expenses which were recorded in distribution and service fees in the fourth quarter of 2020.

(5) Represents net foreign currency exchange (gains) losses associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

(6) Tax adjustments are summarized in the following table:

Discrete tax items	(\$5,820)	\$13	\$62	(\$4,435)	(\$10,239)
Tax effect of adjustments included above	(4,833)	1,623	407	(14,316)	231
Total tax adjustments	(\$10,653)	\$1,636	\$469	(\$18,751)	(\$10,008)

Reconciliation of U.S. GAAP to As Adjusted Results

Revenue, Expenses, Operating Income (Loss) and Operating Margin

\$ in thousands, except percentages

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Revenue, U.S. GAAP	\$105,830	\$94,087	\$111,159	\$116,460	\$125,747
Seed investments ⁽¹⁾	(29)	(60)	275	95	94
Revenue, as adjusted	\$105,801	\$94,027	\$111,434	\$116,555	\$125,841
Expenses, U.S. GAAP	\$77,461	\$58,792	\$67,852	\$128,374	\$73,809
Seed investments ⁽¹⁾	(228)	(229)	102	(69)	(96)
Accelerated vesting of restricted stock units	—	—	(387)	(387)	(1,088)
Initial public offering costs ⁽²⁾	—	—	(310)	(60,249)	—
Rights offering costs ⁽³⁾	(11,859)	—	—	—	—
Other non-recurring expenses ⁽⁴⁾	—	—	—	(500)	—
Expenses, as adjusted	\$65,374	\$58,563	\$67,257	\$67,169	\$72,625
Operating income (loss), U.S. GAAP	\$28,369	\$35,295	\$43,307	(\$11,914)	\$51,938
Seed investments ⁽¹⁾	199	169	173	164	190
Accelerated vesting of restricted stock units	—	—	387	387	1,088
Initial public offering costs ⁽²⁾	—	—	310	60,249	—
Rights offering costs ⁽³⁾	11,859	—	—	—	—
Other non-recurring expenses ⁽⁴⁾	—	—	—	500	—
Operating income, as adjusted	\$40,427	\$35,464	\$44,177	\$49,386	\$53,216
Operating margin, U.S. GAAP	26.8%	37.5%	39.0%	(10.2%)	41.3%
Operating margin, as adjusted	38.2%	37.7%	39.6%	42.4%	42.3%

(1) Represents amounts related to the deconsolidation of seed investments in Company-sponsored funds.

(2) Represents costs associated with the initial public offering of PTA. Costs are summarized in the following table:

Employee compensation and benefits	\$—	\$—	\$—	\$1,317	\$—
Distribution and service fees	—	—	—	57,818	—
General and administrative	—	—	310	1,114	—
Initial public offering costs	\$—	\$—	\$310	\$60,249	\$—

(3) Represents costs associated with RQI rights offering which were recorded in general and administrative expense in the first quarter of 2020.

(4) Represents non-recurring expenses which were recorded in distribution and service fees in the fourth quarter of 2020.

Reconciliation of U.S. GAAP to As Adjusted Results

Non-operating Income (Loss)

\$ in thousands

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Non-operating income (loss), U.S. GAAP	(\$19,843)	\$7,953	\$3,231	\$6,989	\$4,953
Seed investments ⁽¹⁾	21,893	(7,696)	(3,961)	(8,079)	(5,280)
Foreign currency exchange (gain) loss-net ⁽²⁾	(1,927)	(117)	1,232	1,683	209
Non-operating income (loss), as adjusted	\$123	\$140	\$502	\$593	(\$118)

(1) Represents amounts related to the deconsolidation of seed investments in Company-sponsored funds as well as non-operating (income) loss from seed investments that were not consolidated.

(2) Represents net foreign currency exchange (gains) losses associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

Reconciliation of U.S. GAAP to As Adjusted Results

Summary of Operating Items

	GAAP	Adjustments				As Adjusted
		Seed investments ⁽¹⁾	Accelerated vesting of restricted stock units	Closed-end rights offering/fund launch costs ⁽²⁾	Other non-recurring expenses	
Q1 2021						
Investment advisory and administration fees	\$116,921	\$94	\$-	\$-	\$-	\$117,015
Employee compensation and benefits	\$45,762	\$-	(\$1,088)	\$-	\$-	\$44,674
Distribution and service fees	\$16,506	\$-	\$-	\$-	\$-	\$16,506
General and administrative	\$10,374	(\$96)	\$-	\$-	\$-	\$10,278
Q4 2020						
Investment advisory and administration fees	\$107,940	\$95	\$-	\$-	\$-	\$108,035
Employee compensation and benefits	\$42,460	\$-	(\$387)	(\$1,317)	\$-	\$40,756
Distribution and service fees	\$73,820	\$-	\$-	(\$57,818)	(\$500)	\$15,502
General and administrative	\$10,966	(\$69)	\$-	(\$1,114)	\$-	\$9,783
Q3 2020						
Investment advisory and administration fees	\$103,160	\$275	\$-	\$-	\$-	\$103,405
Employee compensation and benefits	\$41,060	\$-	(\$387)	\$-	\$-	\$40,673
Distribution and service fees	\$14,642	\$-	\$-	\$-	\$-	\$14,642
General and administrative	\$11,006	\$102	\$-	(\$310)	\$-	\$10,798
Q2 2020						
Investment advisory and administration fees	\$86,648	(\$60)	\$-	\$-	\$-	\$86,588
Employee compensation and benefits	\$34,320	\$-	\$-	\$-	\$-	\$34,320
Distribution and service fees	\$12,518	\$-	\$-	\$-	\$-	\$12,518
General and administrative	\$10,726	(\$229)	\$-	\$-	\$-	\$10,497
Q1 2020						
Investment advisory and administration fees	\$97,289	(\$29)	\$-	\$-	\$-	\$97,260
Employee compensation and benefits	\$38,617	\$-	\$-	\$-	\$-	\$38,617
Distribution and service fees	\$14,104	\$-	\$-	\$-	\$-	\$14,104
General and administrative	\$23,588	(\$228)	\$-	(\$11,859)	\$-	\$11,501

(1) Represents amounts related to the deconsolidation of seed investments in Company-sponsored funds.

(2) Represents costs associated with the initial public offering of PTA in the third and fourth quarters of 2020 and costs associated with the RQI rights offering which were recorded in the first quarter of 2020.

Legal Disclosures

This presentation and other statements that Cohen & Steers may make may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect management's current views with respect to, among other things, the Company's operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative versions of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these forward-looking statements. The Company believes that these factors include, but are not limited to, the risks described in the Risk Factors section of the Company's Annual Report on Form 10-K for the year ended December 31, 2020 (the Form 10-K), which is accessible on the Securities and Exchange Commission's website at www.sec.gov and on the Company's website at www.cohenandsteers.com. These factors are not exhaustive and should be read in conjunction with the other cautionary statements that are included in the Company's Form 10-K and other filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

This presentation contains adjusted financial results that we believe are meaningful in evaluating the Company's performance. For disclosures on these adjusted financial results and their U.S. GAAP reconciliations, you should refer to the Reconciliation of U.S. GAAP to As Adjusted Results contained on pages 16-19 of this presentation.

Investment Performance:

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