

Cohen & Steers: Q2 2021 Earnings Presentation

Summary of second quarter 2021 results

Assets under management

- June 30, 2021 AUM was \$96.2 billion versus \$87.0 billion at March 31, 2021
- Average AUM was \$92.9 billion for Q2 2021 versus \$82.8 billion for Q1 2021

Flows

- Net inflows of \$2.6 billion in Q2 2021 versus net inflows of \$3.8 billion in Q1 2021
- Net inflows in open-end funds and advisory
- Net outflows in Japan subadvisory and subadvisory ex. Japan

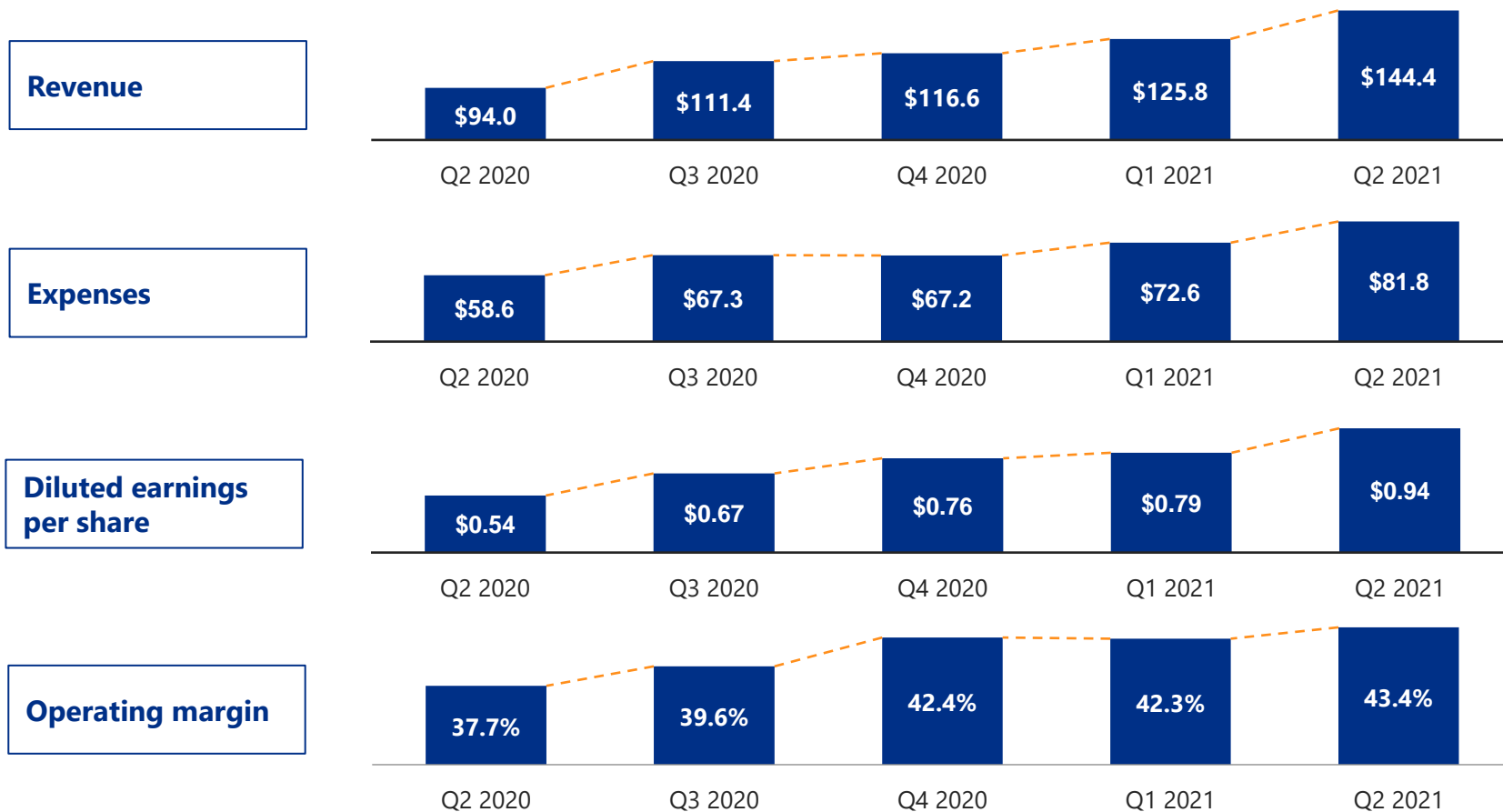
Financial results, as adjusted

- Net income was \$45.9 million in Q2 2021 versus \$38.6 million in Q1 2021
- Diluted EPS of \$0.94 in Q2 2021 versus \$0.79 in Q1 2021
- Operating margin was 43.4% in Q2 2021 versus 42.3% in Q1 2021

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

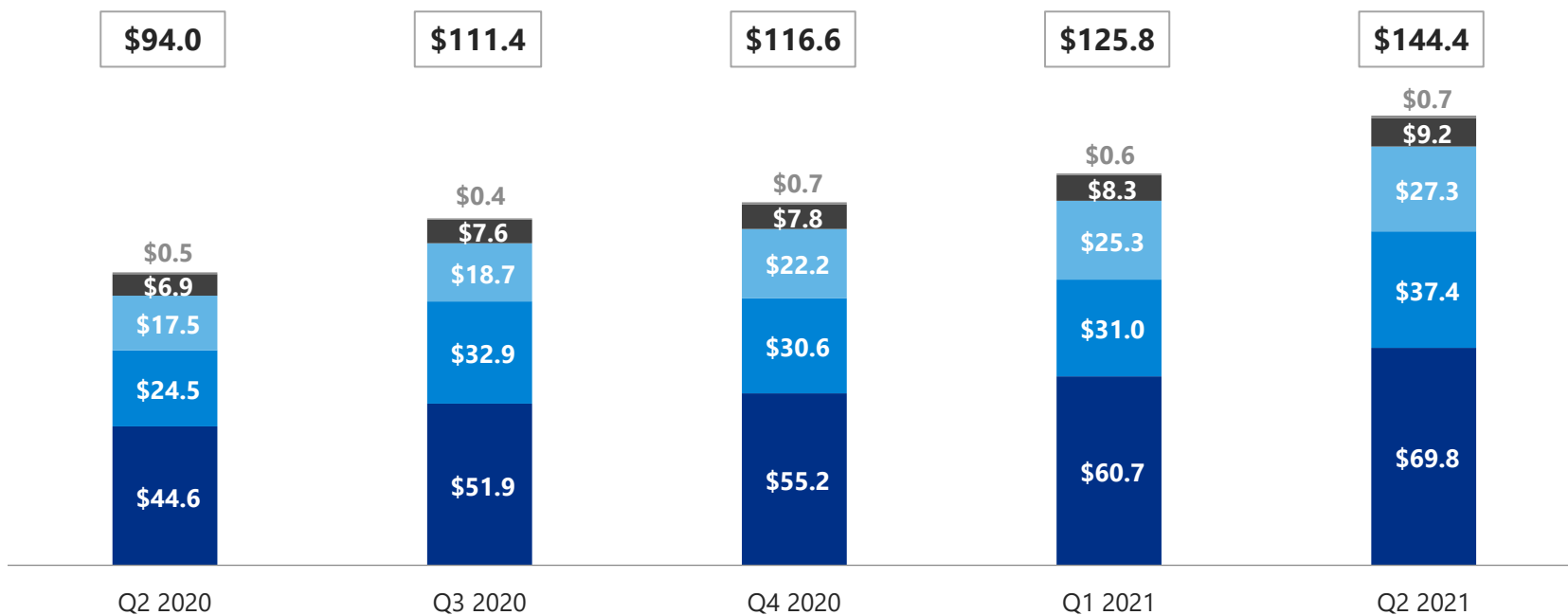


Please see pages 16-19 of this presentation for reconciliations of U.S. GAAP to as adjusted results.

Revenue, as adjusted

\$ in millions

■ Open-end fund fees
 ■ Institutional fees
 ■ Closed-end fund fees
 ■ Distribution and service fees
 ■ Other

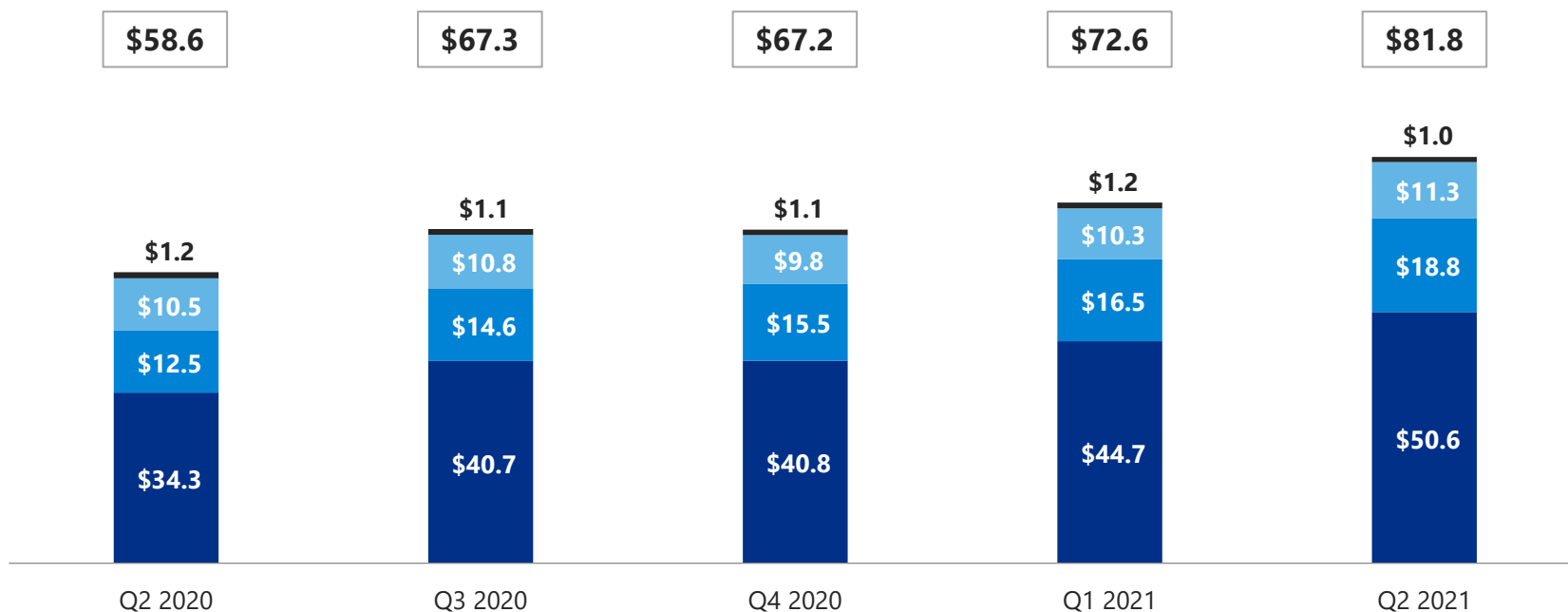


Please see pages 16-19 of this presentation for reconciliations of U.S. GAAP to as adjusted results. Totals may not foot due to rounding.

Expenses, as adjusted

\$ in millions

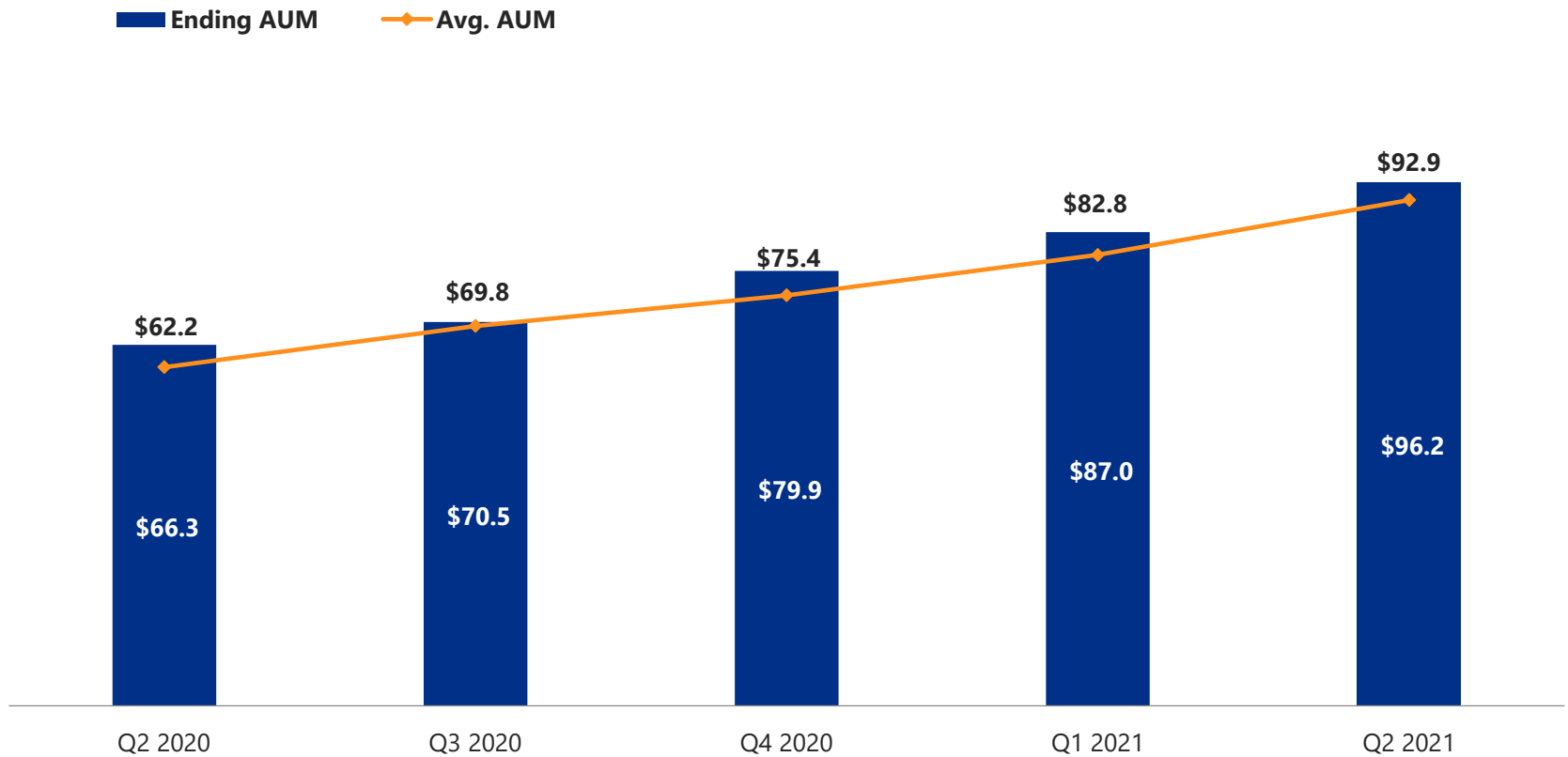
- Employee compensation and benefits
- Distribution and service fees
- General and administrative
- Depreciation and amortization



Please see pages 16-19 of this presentation for reconciliations of U.S. GAAP to as adjusted results. Totals may not foot due to rounding.

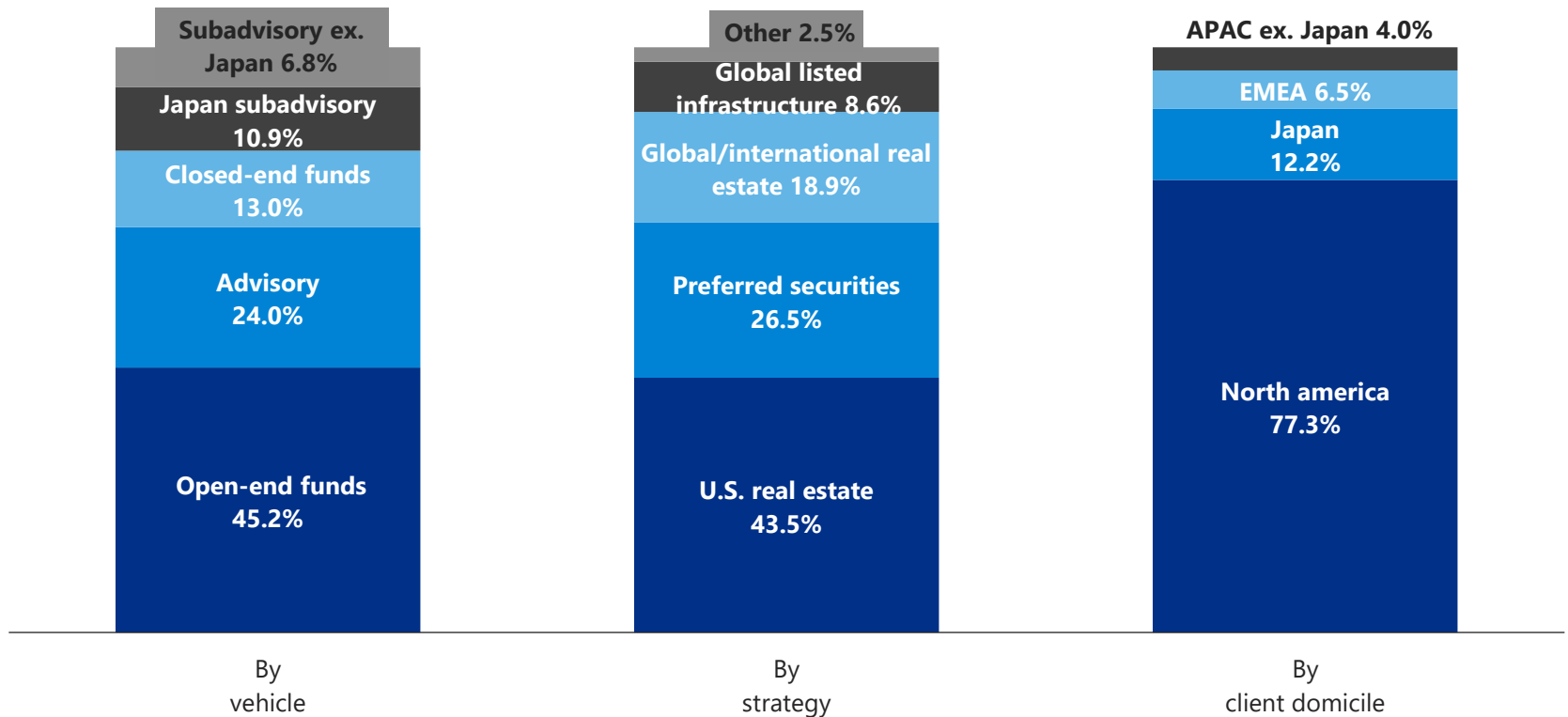
Assets under management

\$ in billions



Assets under management

Across vehicle, strategy, and client domicile

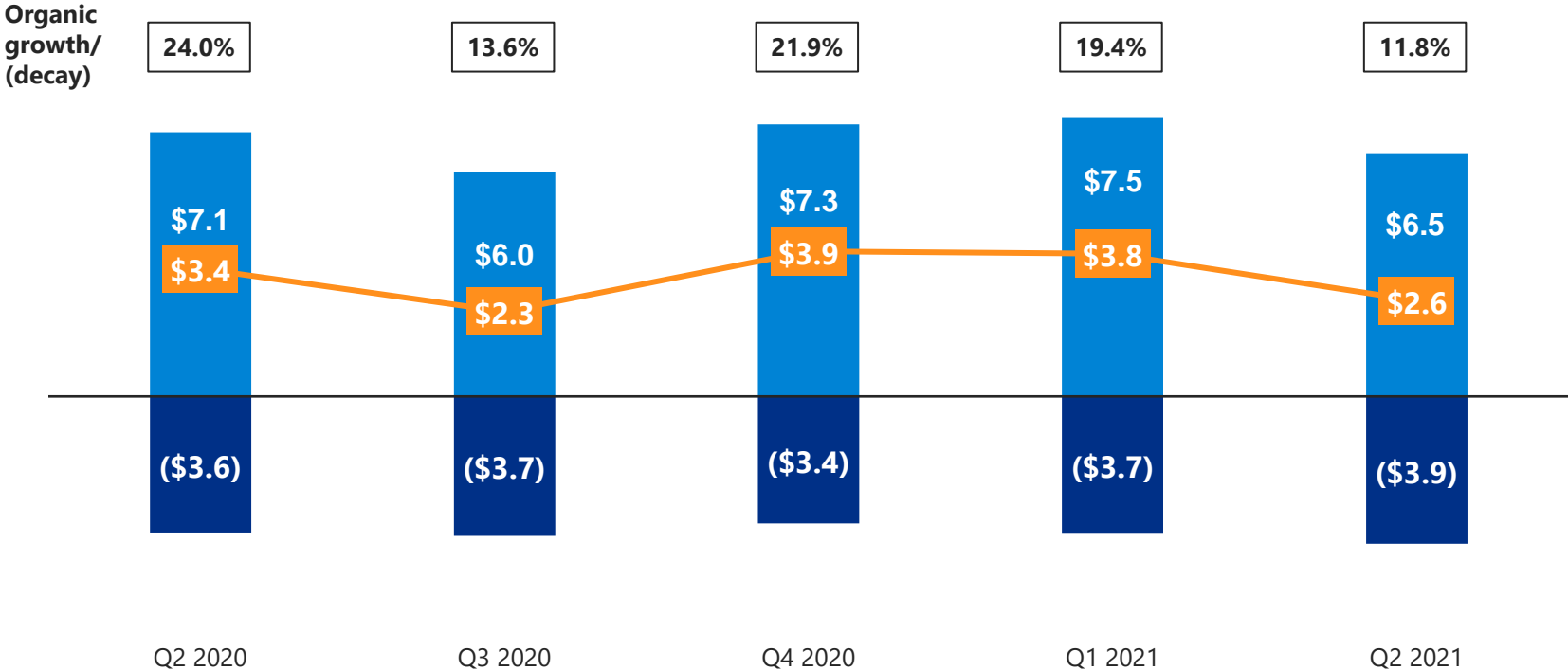


As of June 30, 2021.
Totals may not foot due to rounding.

Total firm net flows

\$ in billions

Inflows Outflows Net flows



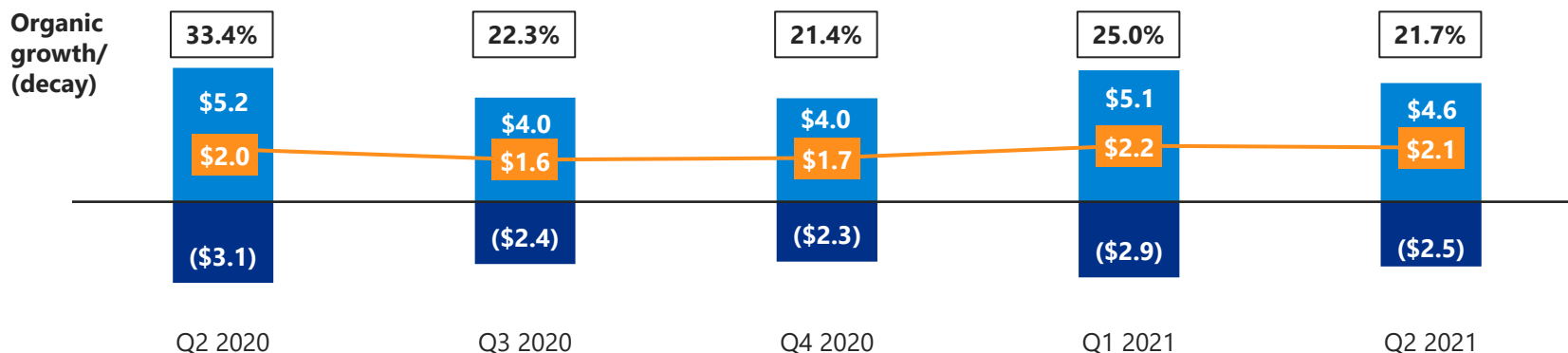
Totals may not foot due to rounding.

Net flows by investment vehicle

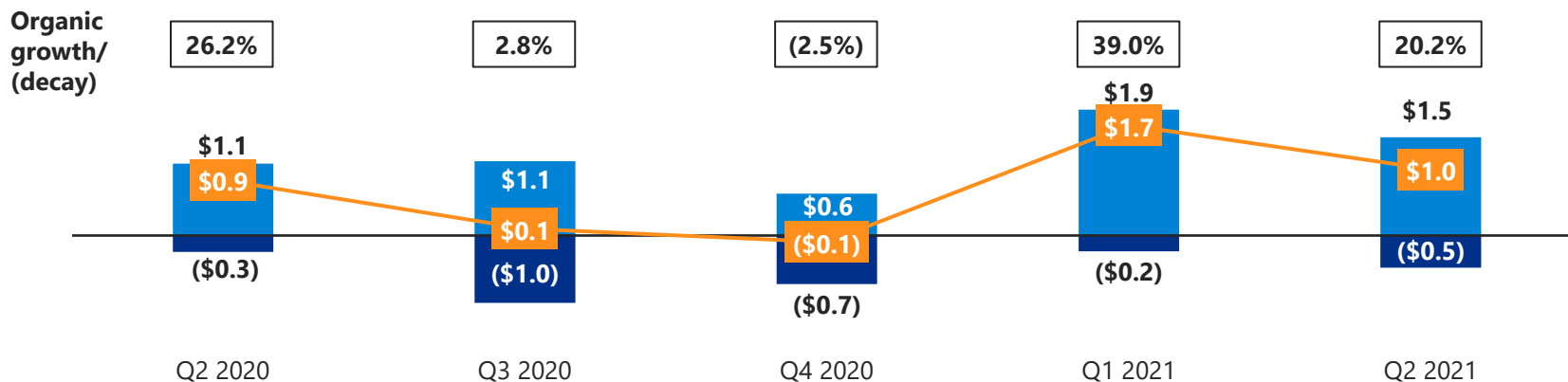
\$ in billions

Inflows Outflows Net flows

Open-end funds



Advisory



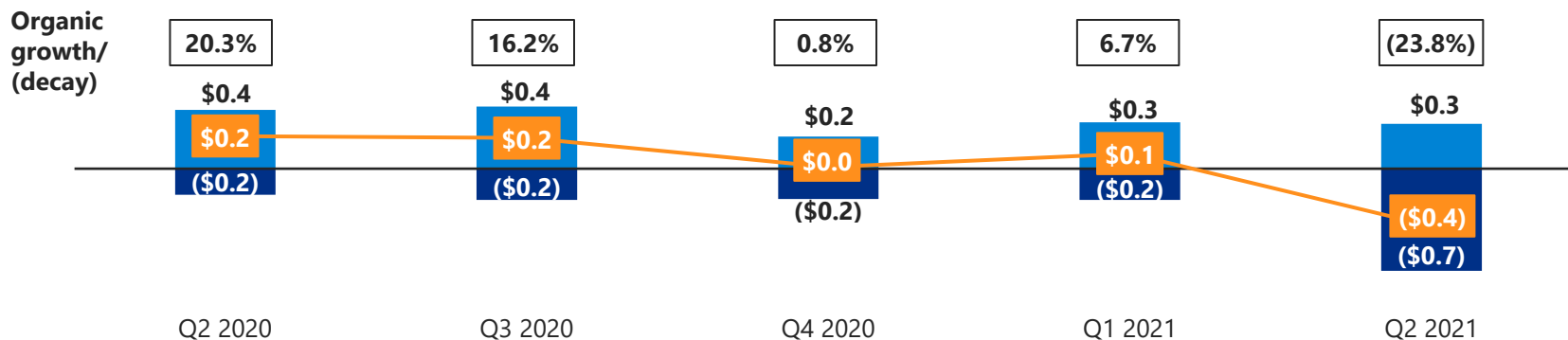
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Net flows by investment vehicle

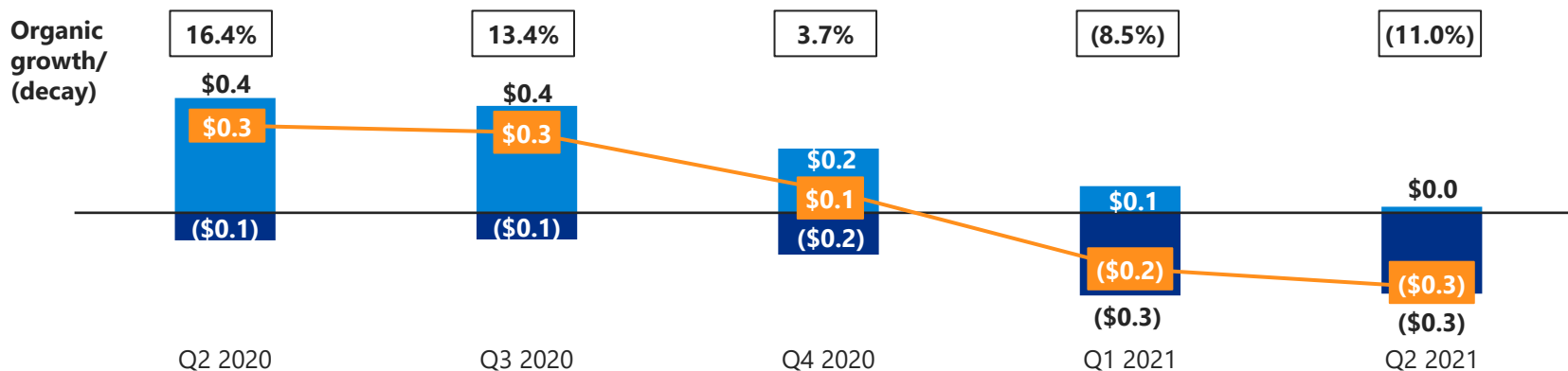
\$ in billions

Inflows Outflows Net flows

Subadvisory ex. Japan



Japan subadvisory



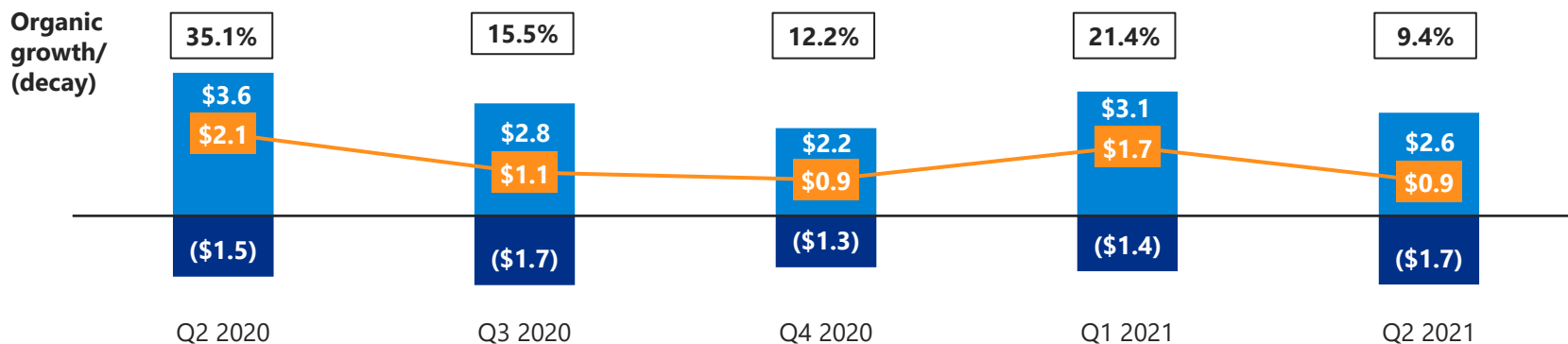
Totals may not foot due to rounding.

Net flows by investment strategy

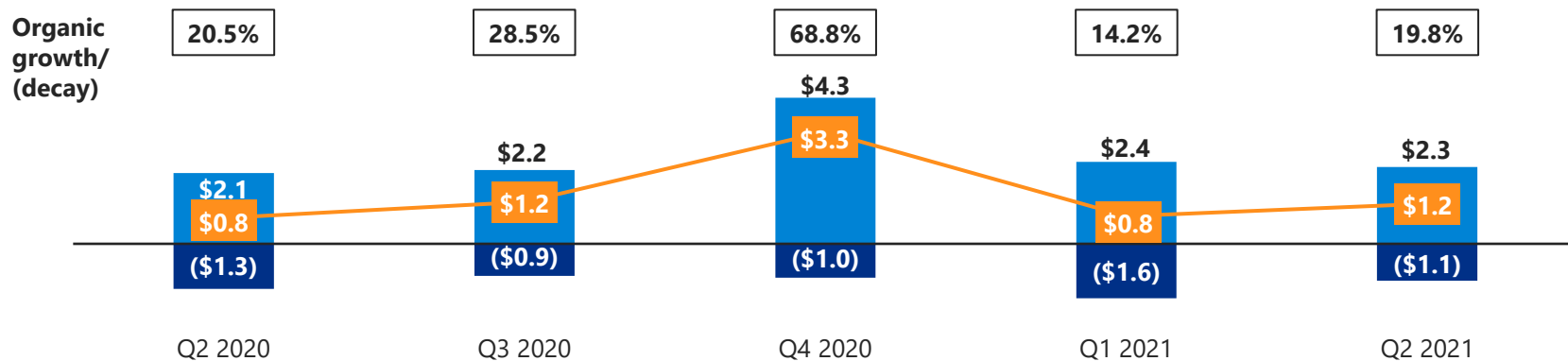
\$ in billions

Inflows Outflows Net flows

U.S. real estate



Preferred securities



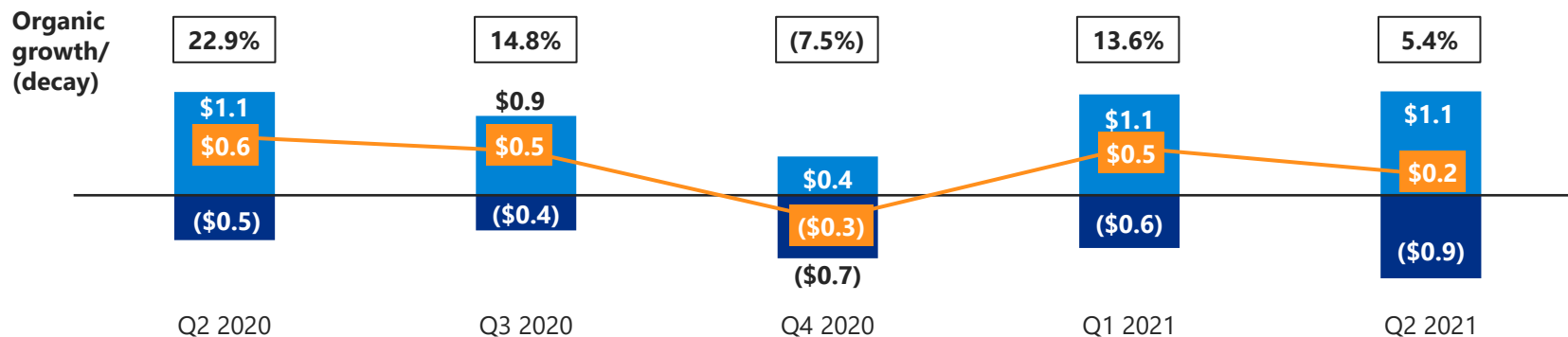
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Net flows by investment strategy

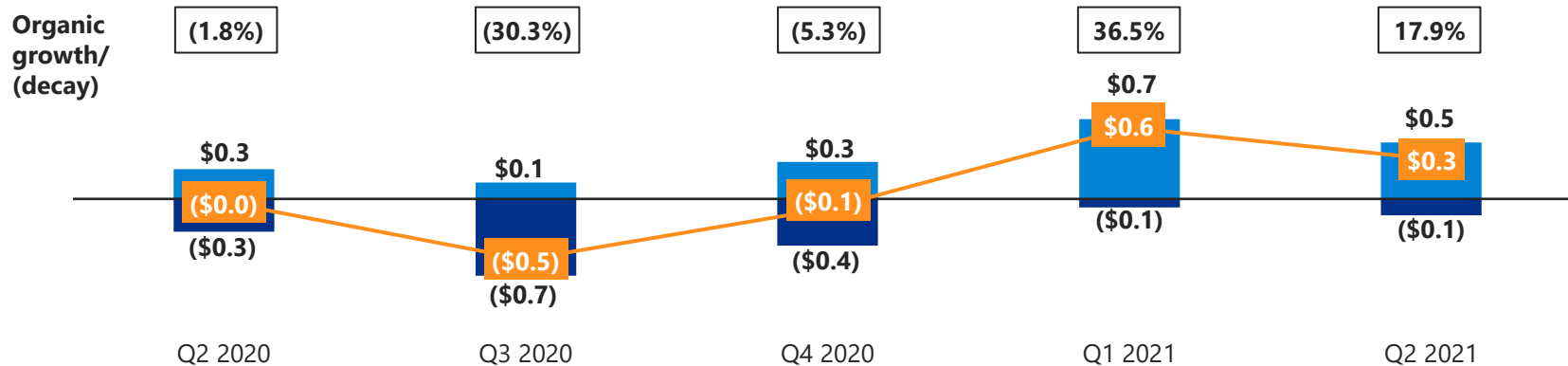
\$ in billions

Inflows Outflows Net flows

Global/international real estate



Global listed infrastructure

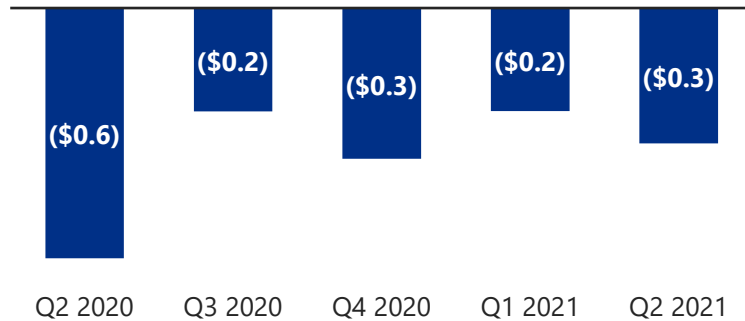


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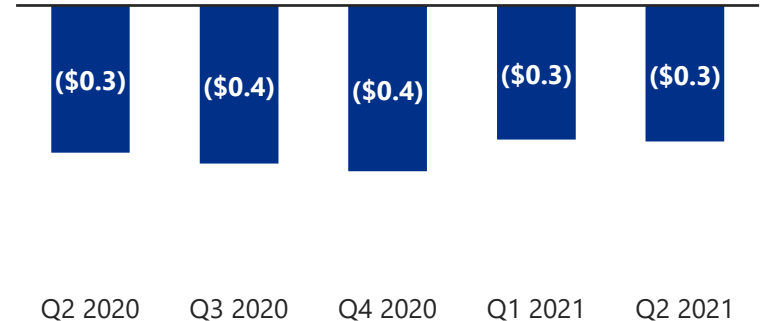
Distributions by investment vehicle

\$ in billions

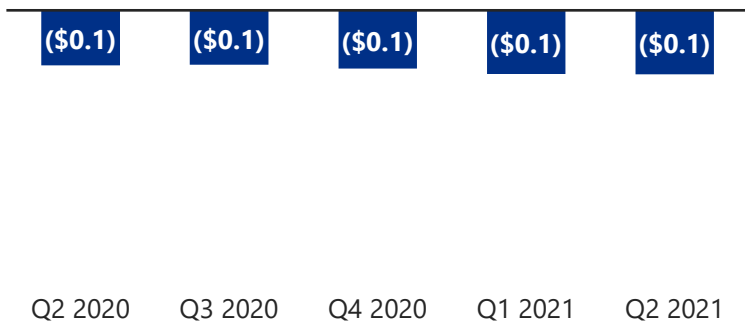
Open-end funds



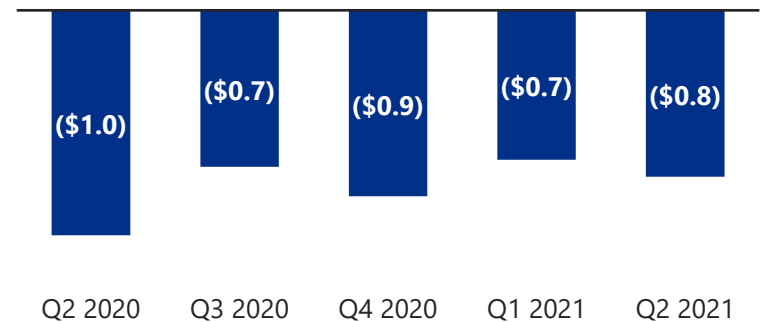
Japan subadvisory



Closed-end funds



Total



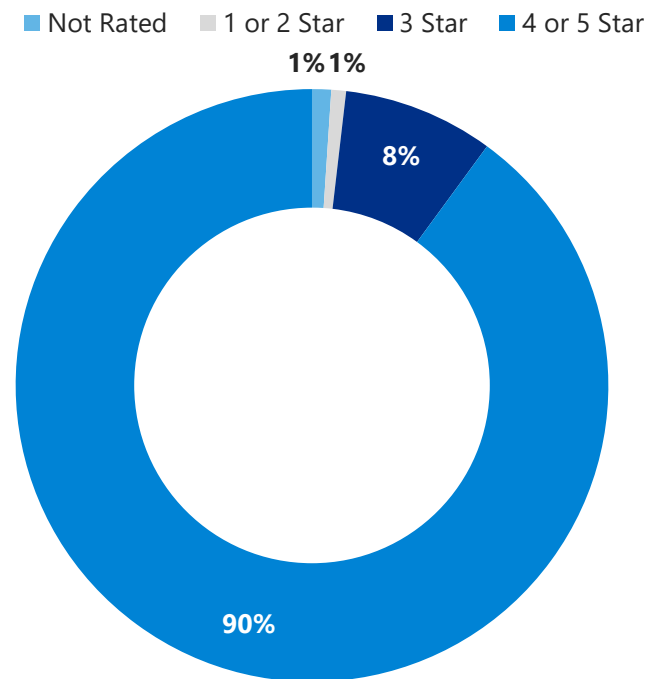
Totals may not foot due to rounding.

Investment performance

% of total AUM in outperforming strategies⁽¹⁾



% of U.S. open-end fund AUM by Morningstar rating⁽²⁾
As of 6/30/2021

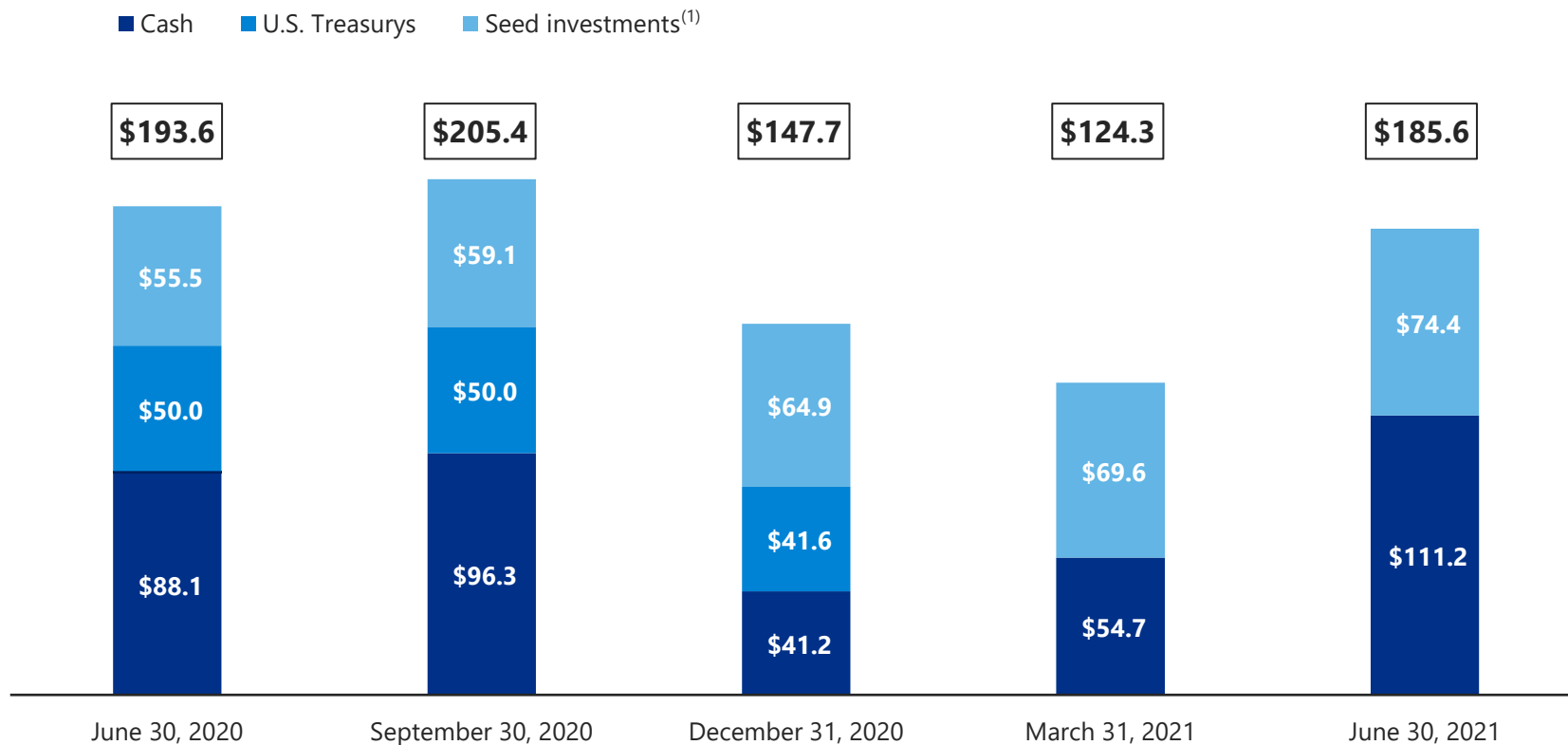


(1) Past performance is no guarantee of future results. Outperformance is determined by comparing the annualized investment performance of each investment strategy to the performance of specified reference benchmarks. Investment performance in excess of the performance of the benchmark is considered 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 June 30, 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



Totals may not foot due to rounding.

Amounts prior to Q2 2021 have been recast to conform with current quarter presentation.

(1) Excludes certain illiquid seed investments and amounts attributable to third-party interests in consolidated seed investments.

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

	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
Net income (loss) attributable to common stockholders, U.S. GAAP	\$28,520	\$31,904	(\$4,412)	\$48,852	\$46,579
Seed investments ⁽¹⁾	(3,885)	(1,686)	(2,574)	(1,512)	(2,752)
Accelerated vesting of restricted stock units	—	387	387	1,088	2,664
Initial public offering costs ⁽²⁾	—	310	60,249	—	—
Other non-recurring expenses ⁽³⁾	—	—	500	—	—
Foreign currency exchange (gains) losses – net ⁽⁴⁾	(117)	1,232	1,683	209	162
Tax adjustments ⁽⁵⁾	1,636	469	(18,751)	(10,008)	(736)
Net income attributable to common stockholders, as adjusted	\$26,154	\$32,616	\$37,082	\$38,629	\$45,917
Diluted weighted average shares outstanding	48,572	48,681	48,857	48,709	48,951
Diluted earnings (loss) per share, U.S. GAAP	\$0.59	\$0.66	(\$0.09)	\$1.00	\$0.95
Seed investments	(0.08)	(0.04)	(0.05)	(0.03)	(0.06)
Accelerated vesting of restricted stock units	—	0.01	0.01	0.02	0.06
Initial public offering costs	—	0.01	1.23	—	—
Other non-recurring expenses	—	—	0.01	—	—
Foreign currency exchange (gains) losses – net	—*	0.02	0.03	0.01	0.01
Tax adjustments	0.03	0.01	(0.38)	(0.21)	(0.02)
Diluted earnings per share, as adjusted	\$0.54	\$0.67	\$0.76	\$0.79	\$0.94

* 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 non-recurring expenses which were recorded in distribution and service fees in the fourth quarter of 2020.

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

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

Discrete tax items	\$13	\$62	(\$4,435)	(\$10,239)	(\$10)
Tax effect of adjustments included above	1,623	407	(14,316)	231	(726)
Total tax adjustments	\$1,636	\$469	(\$18,751)	(\$10,008)	(\$736)

Totals may not foot due to rounding.

Reconciliation of U.S. GAAP to as adjusted results

Revenue, expenses, operating income (loss) and operating margin

\$ in thousands, except percentages

	Three Months Ended				
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
Revenue, U.S. GAAP	\$94,087	\$111,159	\$116,460	\$125,747	\$144,269
Seed investments ⁽¹⁾	(60)	275	95	94	105
Revenue, as adjusted	\$94,027	\$111,434	\$116,555	\$125,841	\$144,374
Expenses, U.S. GAAP	\$58,792	\$67,852	\$128,374	\$73,809	\$84,572
Seed investments ⁽¹⁾	(229)	102	(69)	(96)	(134)
Accelerated vesting of restricted stock units	—	(387)	(387)	(1,088)	(2,664)
Initial public offering costs ⁽²⁾	—	(310)	(60,249)	—	—
Other non-recurring expenses ⁽³⁾	—	—	(500)	—	—
Expenses, as adjusted	\$58,563	\$67,257	\$67,169	\$72,625	\$81,774
Operating income (loss), U.S. GAAP	\$35,295	\$43,307	(\$11,914)	\$51,938	\$59,697
Seed investments ⁽¹⁾	169	173	164	190	239
Accelerated vesting of restricted stock units	—	387	387	1,088	2,664
Initial public offering costs ⁽²⁾	—	310	60,249	—	—
Other non-recurring expenses ⁽³⁾	—	—	500	—	—
Operating income, as adjusted	\$35,464	\$44,177	\$49,386	\$53,216	\$62,600
Operating margin, U.S. GAAP	37.5%	39.0%	(10.2%)	41.3%	41.4%
Operating margin, as adjusted	37.7%	39.6%	42.4%	42.3%	43.4%

(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 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				
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
Non-operating income (loss), U.S. GAAP	\$7,953	\$3,231	\$6,989	\$4,953	\$8,536
Seed investments ⁽¹⁾	(7,696)	(3,961)	(8,079)	(5,280)	(8,818)
Foreign currency exchange (gain) loss-net ⁽²⁾	(117)	1,232	1,683	209	162
Non-operating income (loss), as adjusted	\$140	\$502	\$593	(\$118)	(\$120)

(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

	Adjustments					As adjusted
	U.S. GAAP	Seed investments ⁽¹⁾	Accelerated vesting of restricted stock units	Closed-end rights offering/ fund launch costs ⁽²⁾	Other non-recurring expenses	
Q2 2021						
Investment advisory and administration fees	\$134,348	\$105	\$-	\$-	\$-	\$134,453
Employee compensation and benefits	\$53,241	\$-	(\$2,664)	\$-	\$-	\$50,577
Distribution and service fees	\$18,848	\$-	\$-	\$-	\$-	\$18,848
General and administrative	\$11,466	(\$134)	\$-	\$-	\$-	\$11,332
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	\$-	\$-	\$-	\$103,435
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
FY 2020						
Investment advisory and administration fees	\$395,037	\$281	\$-	\$-	\$-	\$395,318
Employee compensation and benefits	\$156,457	\$-	(\$774)	(\$1,317)	\$-	\$154,366
Distribution and service fees	\$115,084	\$-	\$-	(\$57,818)	(\$500)	\$56,766
General and administrative	\$56,286	(\$424)	\$-	(\$13,283)	\$-	\$42,579

(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

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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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