



# Second Quarter 2020 Results

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July 28, 2020



# 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, the COVID-19 pandemic and their 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 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 income, operating margin, net income attributable to Invesco Ltd., and diluted EPS. The operating metrics are presented for projection purposes only and are presented consistently with Invesco's non-GAAP management reporting approach.

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.

## **Focused on growing organically and leveraging operating scale**

- Working to drive further effectiveness and efficiency across our platform

## **Committed to our long-term strategy**

- Majority of our business aligned with key future growth areas
- Continued investment performance strength in high-demand capabilities led to improved flow fundamentals

## **Transformed how we engage with clients**

- Meaningfully strengthened our processes, technology and communications to support greater connectivity with clients
- Reshaped our client delivery model to a fully digital engagement platform

# Second quarter 2020 highlights



## Investment Performance

- 53%, 50%, 57% and 69% of actively managed assets in top half of peer group on a 1-, 3-, 5-, and 10-year basis
- Strong performance in capabilities where we expect strong demand from clients globally: Fixed Income and Global, Emerging Markets, and Asian Equities

## AUM and Net Revenue Yield<sup>1</sup>

- June 30, 2020 AUM of \$1,145.2 billion compared to \$1,053.4 billion at the end of Q1
- Average AUM of \$1,118.7 billion compared to \$1,176.3 billion in Q1
- Net revenue yield of 37.0 bps (ex-performance fees 36.8 bps) compared to 39.0 bps (ex-performance fees 38.7 bps) in Q1

## Flows

- Gross long-term inflows of \$62.7 billion compared to \$84.7 billion in Q1
- Record institutional pipeline of \$33.4 billion, enabled by Solutions capability
- Long-term net outflows of \$14.2 billion, versus long-term net outflows of \$19.1 billion in Q1
- Investment capability areas of strength include Fixed Income (\$6.0 billion net long-term inflows across all channels and markets), contributing to \$2.0 billion net long-term inflows in Asia Pacific and \$1.8 billion net long-term inflows in EMEA ex UK

## Overall Adjusted Operating Results<sup>1</sup>

- Net revenues down 9.7% to \$1,034.3 million from \$1,145.8 million in Q1
- Adjusted operating income of \$359.7 million compared to \$412.7 million in Q1
- Adjusted operating margin decreased to 34.8% in the quarter from 36.0% in Q1
- Adjusted diluted EPS increased to \$0.35 versus \$0.34 in Q1

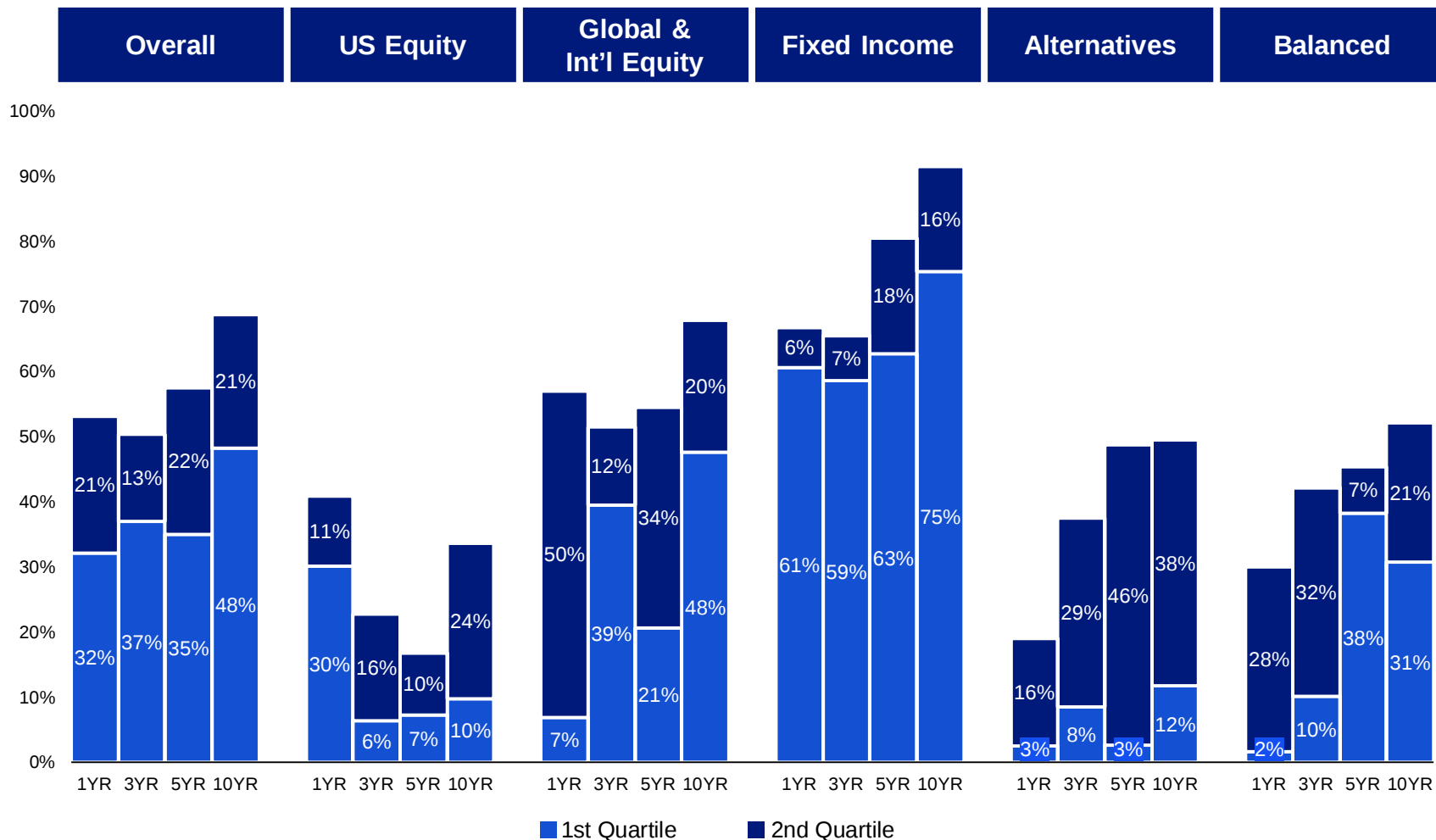
## Capital Mgmt. & Balance Sheet

- Reduced revolver balance by \$182 million while improving cash balances, consistent with our long-term objectives

(1) 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.

# Investment performance

## % of Actively Managed Assets in Top Half of Peer Group



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 6/30/2020. Includes AUM of \$636.3 billion (56% of total IVZ) for 1 year, \$631.2 billion (55% of total IVZ) for 3 year, \$622.0 billion (54% of total IVZ) for 5 year and \$565.1 billion (49% of total IVZ) for 10 year. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Lipper, Morningstar, IA, Russell, Mercer, eVestment Alliance, 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.

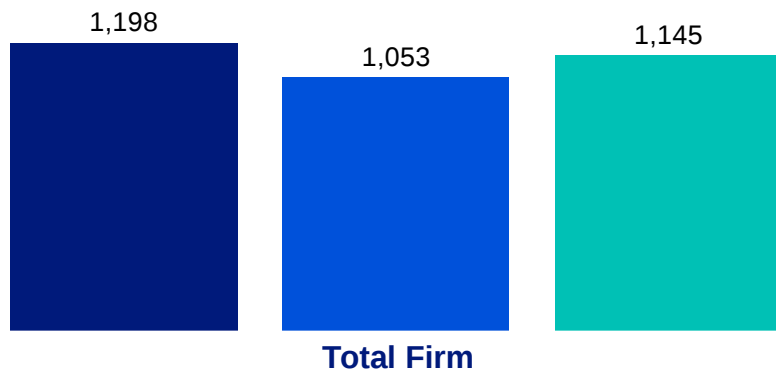
# Assets under management



■ Q2'19 ■ Q1'20 ■ Q2'20 □ % of Total Firm AUM

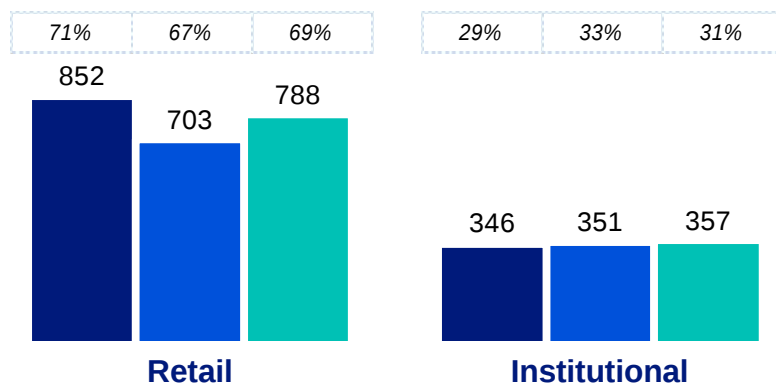
## Total AUM

\$ billions



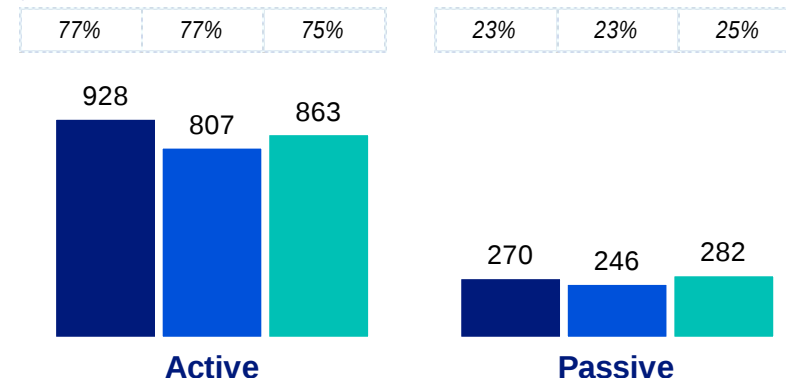
## by Channel

\$ billions



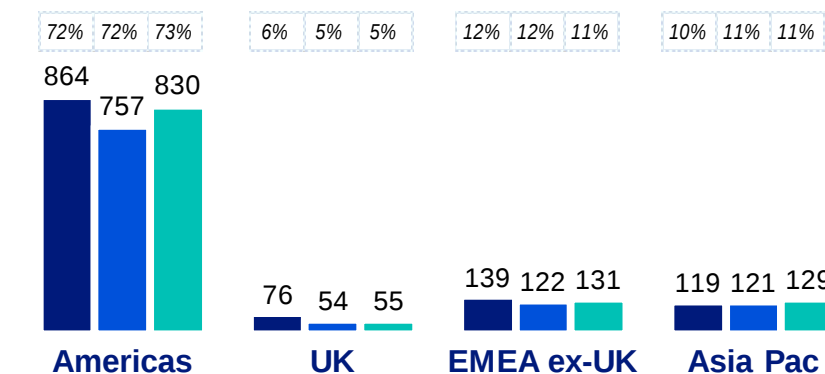
## by Investment Approach

\$ billions



## by Geography

\$ billions



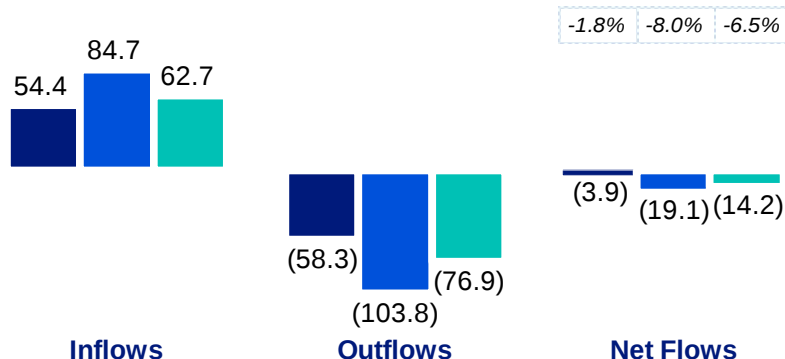
# Long-term flows and annualized organic growth



■ Q2'19 ■ Q1'20 ■ Q2'20 □ Annualized LT Org. Growth<sup>1</sup>

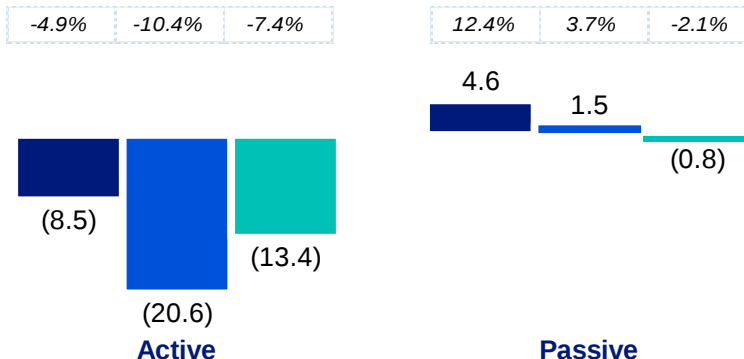
## Long-Term Flows

\$ billions



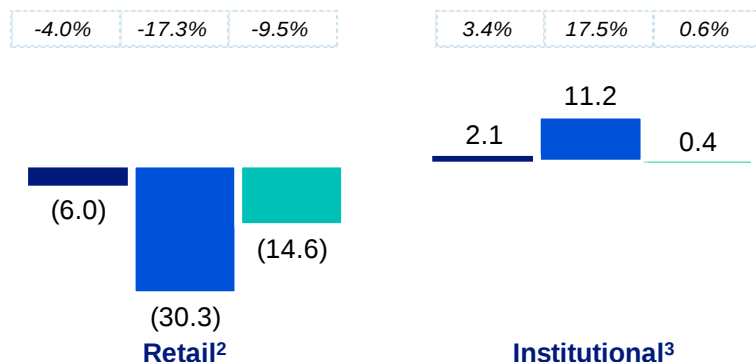
## Net Flows by Investment Approach

\$ billions



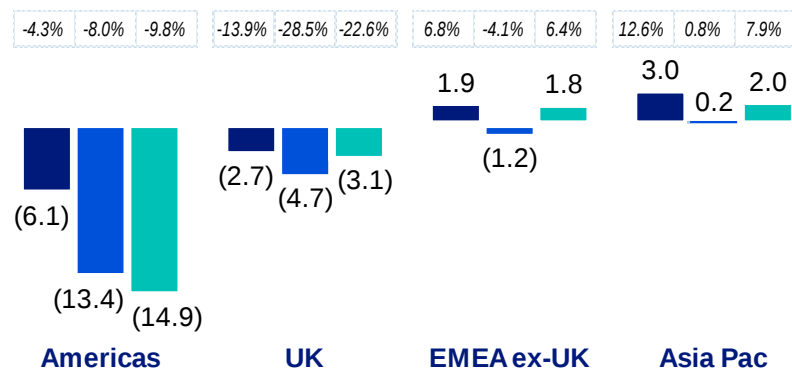
## Net Flows by Channel

\$ billions



## Net Flows by Geography

\$ billions



(1) Annualized long-term organic growth rate is calculated using long-term net 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

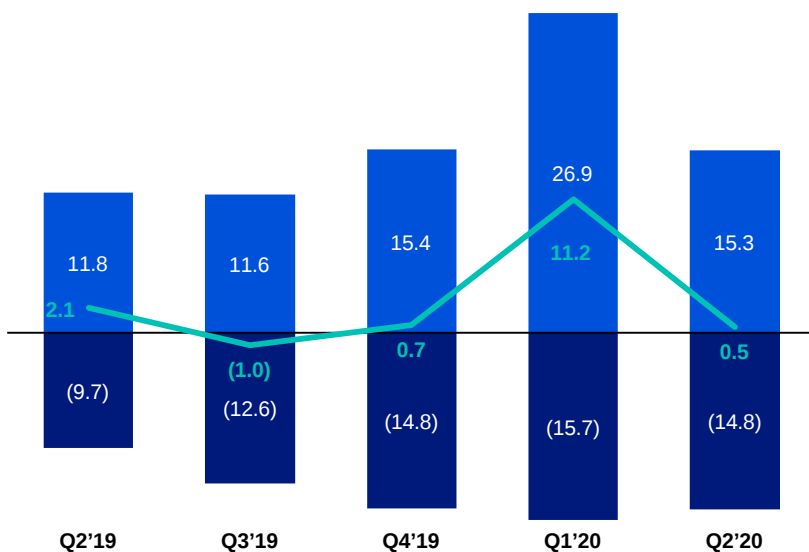
(3) Institutional AUM are distributed by the company's institutional sales team and generally includes our institutional investment capabilities in the U.S., Canada, U.K., Continental Europe and Asia. Institutional AUM and flows exclude money market and non-management fee earning AUM

Note: Numbers may not add up due to rounding

# Institutional clients remain engaged and constructive

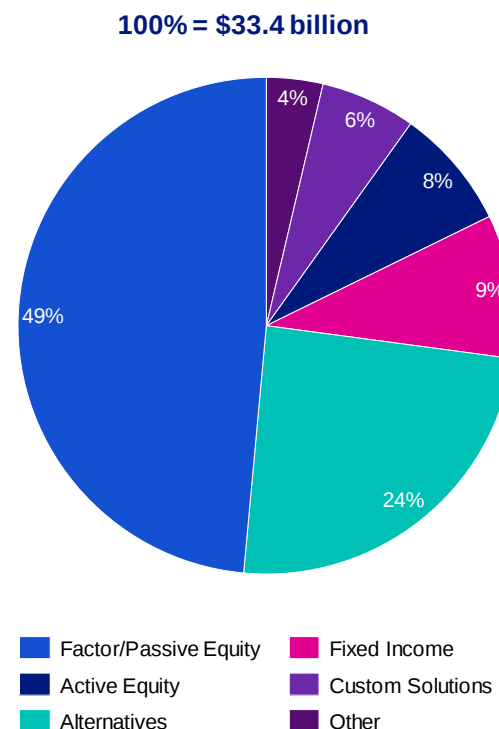


## Global Institutional LT Flows (\$ billions)



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

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



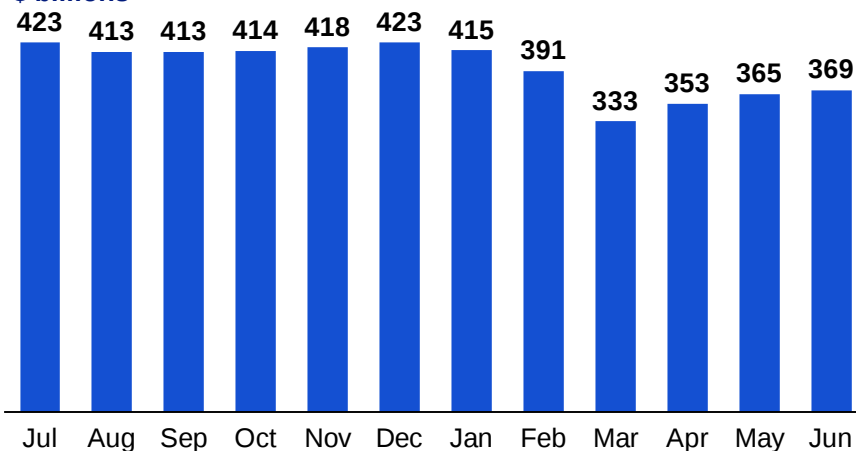
**Invesco Solutions enabled 52% of the global institutional pipeline and created wins in customized mandates**

# Active US retail update



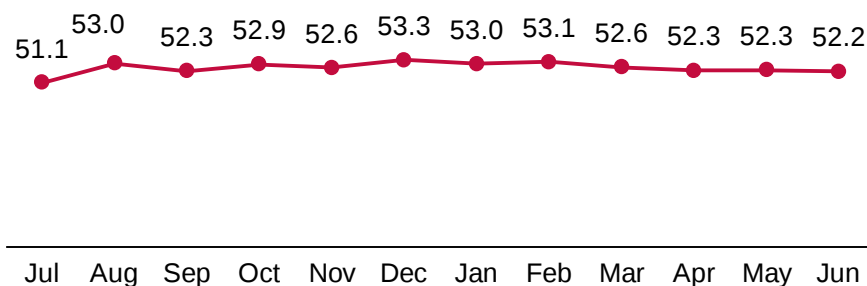
## AUM

\$ billions



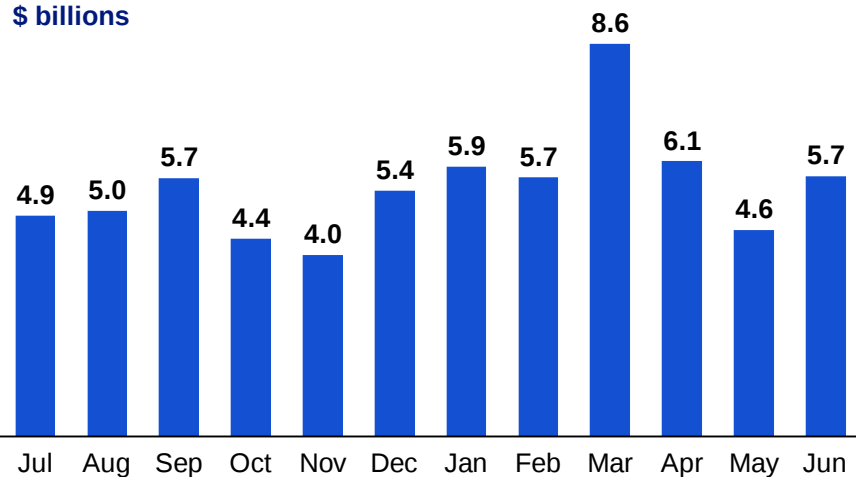
## Net Revenue Yield

Basis points, excluding performance fees, trailing 3-month average



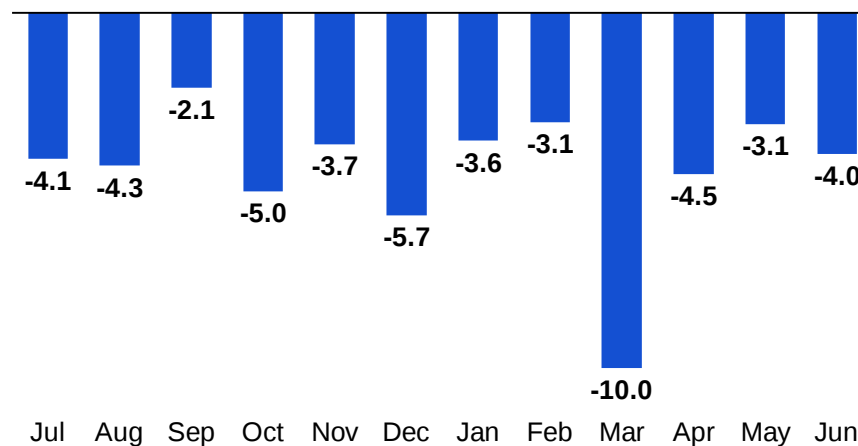
## Gross Sales

\$ billions



## Net Flows

\$ billions

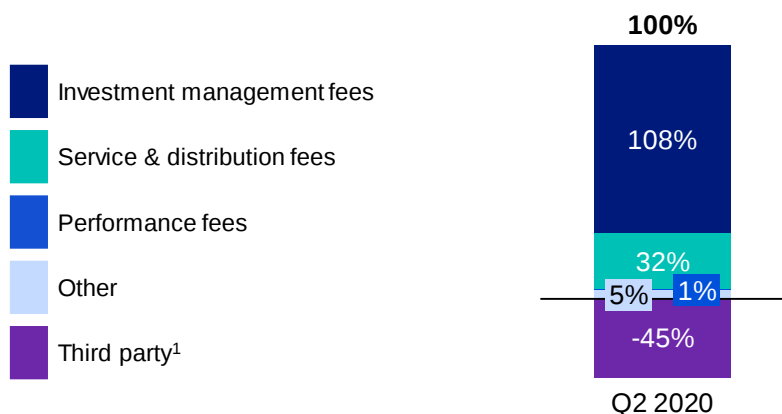
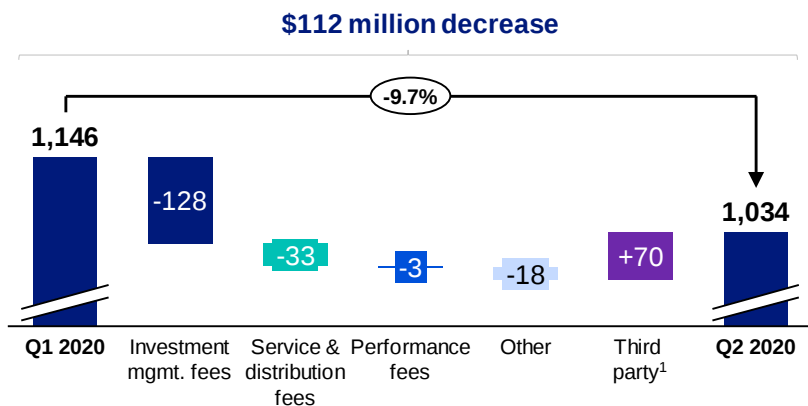


# Revenues and expenses



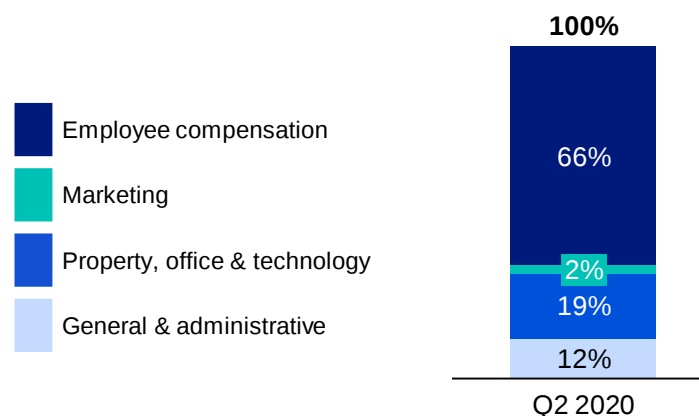
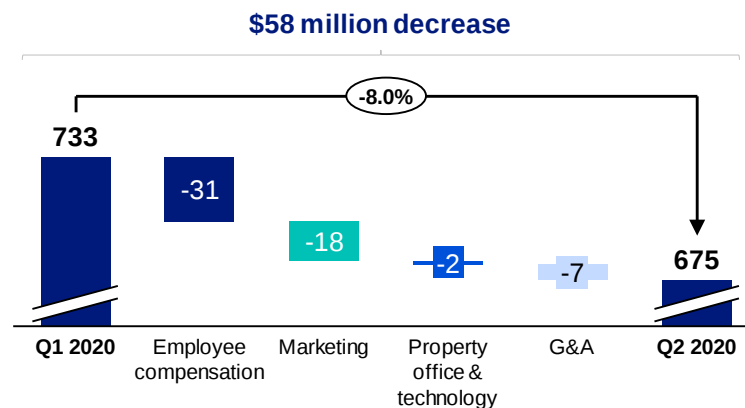
## Net Revenues

Non-GAAP results in \$ millions



## Adjusted Operating Expenses

Non-GAAP results in \$ millions



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.

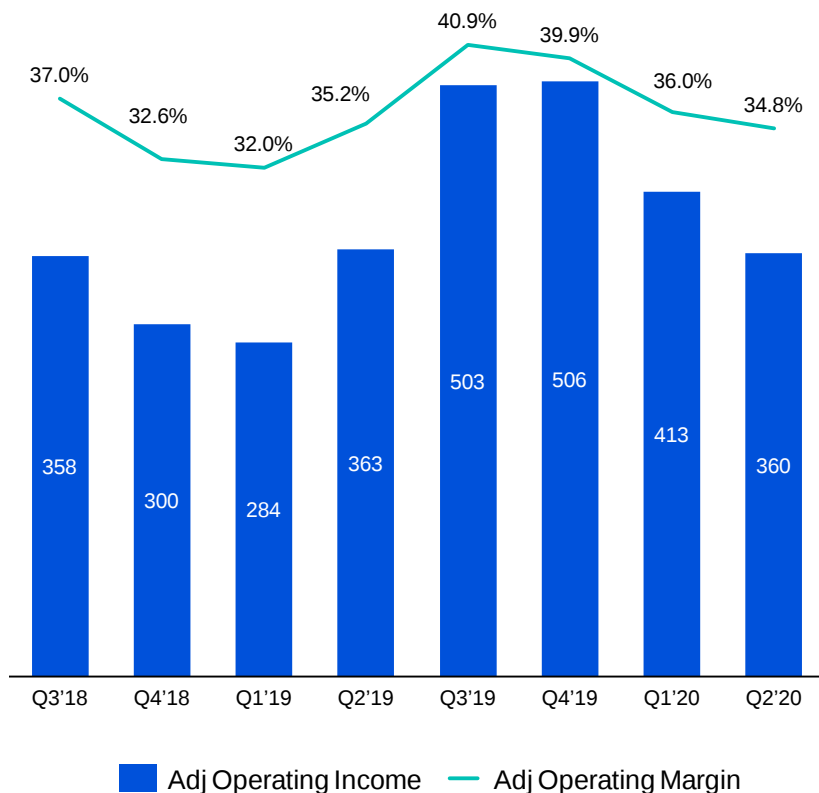
(2) Note: Numbers may not add up due to rounding

# Adjusted operating income and profitability



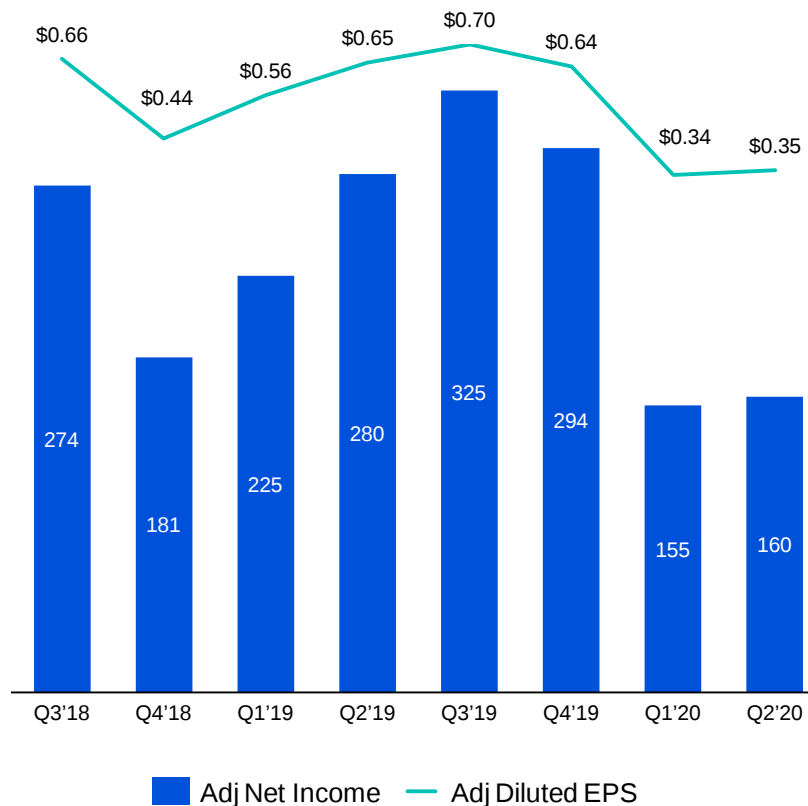
## Adjusted Operating Income and Adjusted Operating Margin

Non-GAAP results; operating income in \$ millions



## Adjusted Net Income and Adjusted Diluted Earnings Per Share

Non-GAAP results; net income in \$ millions



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.

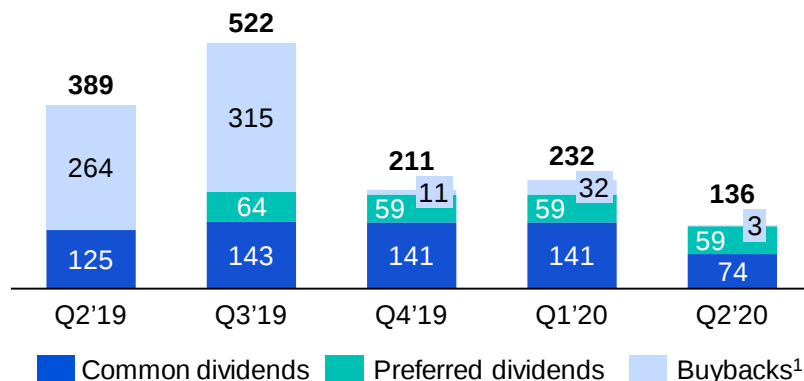
# Capital management and balance sheet

Ample liquidity with enhanced capacity to optimize the balance sheet

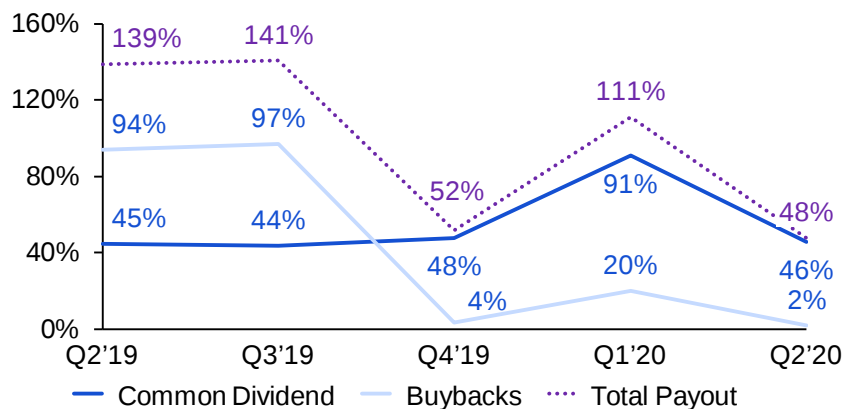


## Capital Management

Capital returned to shareholders in \$ millions



Common shareholder payout ratios, as % of Adj. Net Income

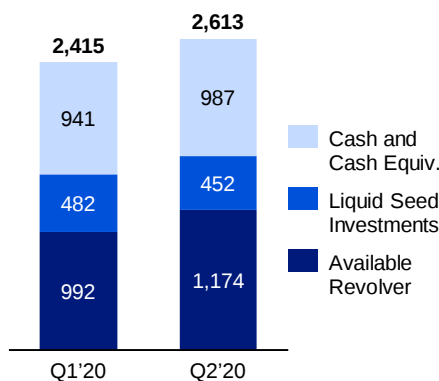


## Balance Sheet Highlights

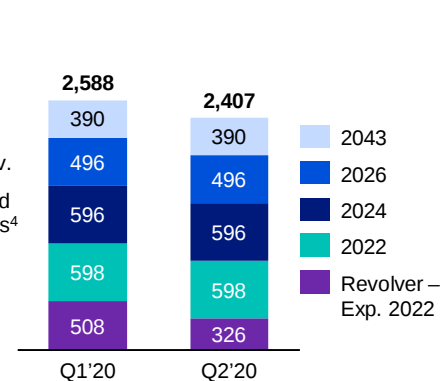
In \$ millions

|                           | Assets        |               | Liabilities  |              | Equity        |               |
|---------------------------|---------------|---------------|--------------|--------------|---------------|---------------|
|                           | Q1'20         | Q2'20         | Q1'20        | Q2'20        | Q1'20         | Q2'20         |
| U.S. GAAP                 | 37,011        | 35,579        | 22,892       | 21,409       | 14,119        | 14,171        |
| Impact of CIP²            | (7,673)       | (7,468)       | (7,054)      | (6,901)      | (619)         | (568)         |
| Impact of policy holders³ | (9,137)       | (8,021)       | (9,137)      | (8,021)      | n/a           | n/a           |
| <b>Total as adjusted</b>  | <b>20,201</b> | <b>20,090</b> | <b>6,701</b> | <b>6,487</b> | <b>13,500</b> | <b>13,603</b> |

Sources of liquidity by type  
In \$ millions



Long term debt by maturity  
In \$ millions



(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)

Note: numbers may not add up due to rounding

# Conclusion



**Focused on growing organically and leveraging operating scale**

**Committed to our long-term strategy**

**Transformed how we engage with clients**

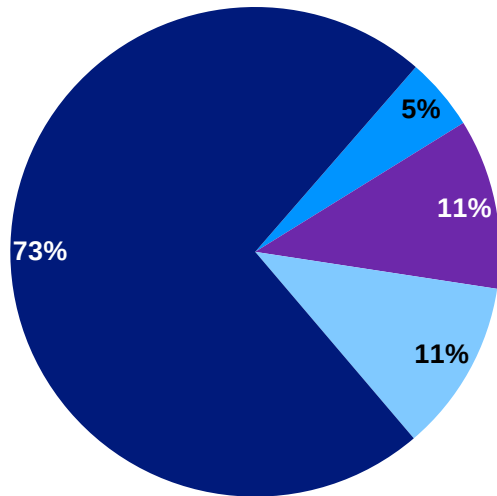
# Appendix



# We are diversified as a firm

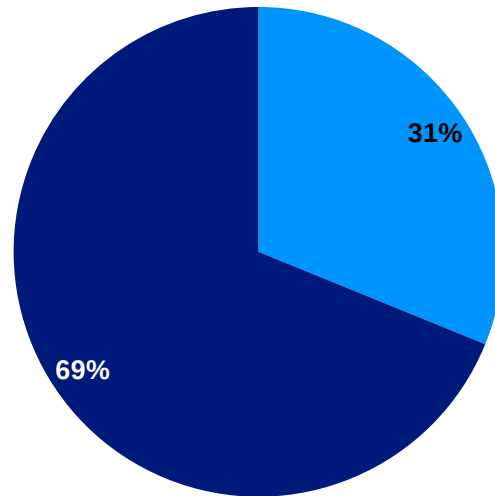


## By Client domicile



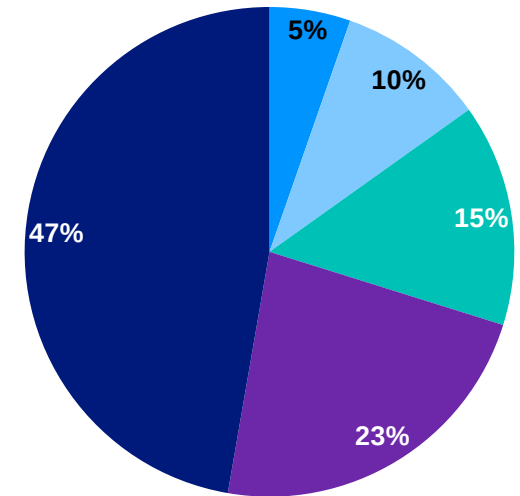
|              | (\$ billions)  | 1-Yr Change   |
|--------------|----------------|---------------|
| Americas     | 829.8          | (3.9)%        |
| U.K.         | 55.1           | (27.8)%       |
| EMEA Ex UK   | 130.9          | (5.9)%        |
| Asia         | 129.4          | 9.1%          |
| <b>Total</b> | <b>1,145.2</b> | <b>(4.4)%</b> |

## By Channel



|               | (\$ billions)  | 1-Yr Change   |
|---------------|----------------|---------------|
| Retail        | 788.4          | (7.5)%        |
| Institutional | 356.8          | 3.2%          |
| <b>Total</b>  | <b>1,145.2</b> | <b>(4.4)%</b> |

## By Asset class



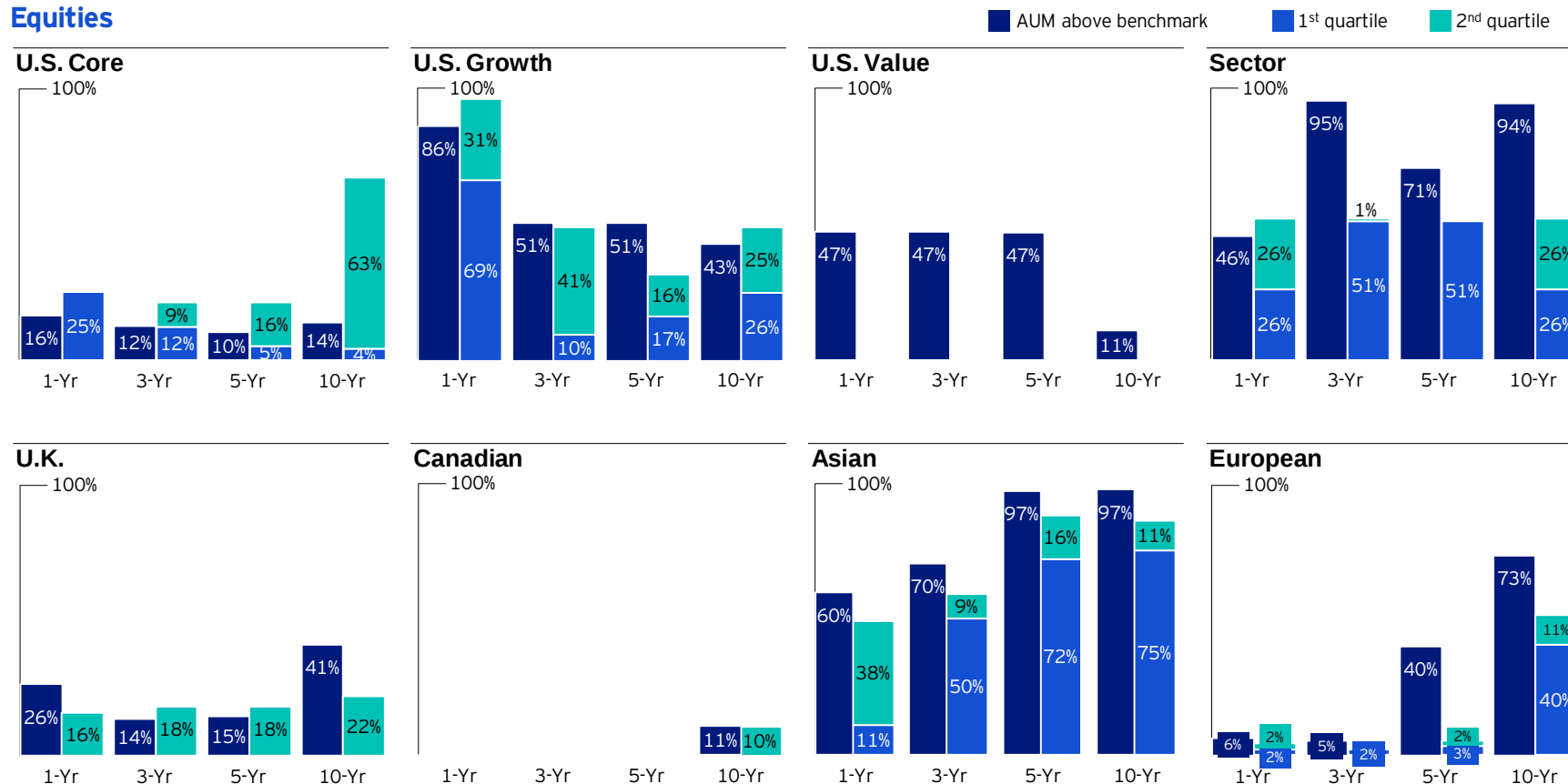
|              | (\$ billions)  | 1-Yr Change   |
|--------------|----------------|---------------|
| Equity       | 544.9          | (5.2)%        |
| Balanced     | 60.9           | (5.0)%        |
| Money Market | 111.5          | 16.5%         |
| Fixed Income | 260.7          | (4.7)%        |
| Alternatives | 167.2          | (11.9)%       |
| <b>Total</b> | <b>1,145.2</b> | <b>(4.4)%</b> |

# Investment performance

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



### 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.

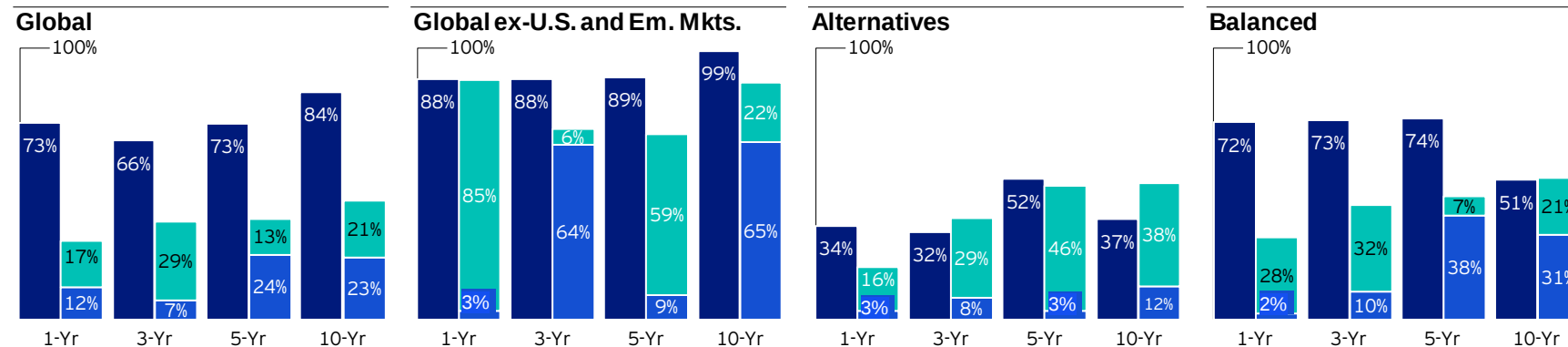
AUM measured in the one, three, five and ten year quartile rankings represents 56%, 55%, 54% and 49% of total Invesco AUM, respectively, and AUM measured versus benchmark on a one, three, five and ten year basis represents 67%, 66%, 63% and 56% of total Invesco AUM as of 6/30/20. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Lipper, Morningstar, IA, Russell, Mercer, eVestment Alliance, 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

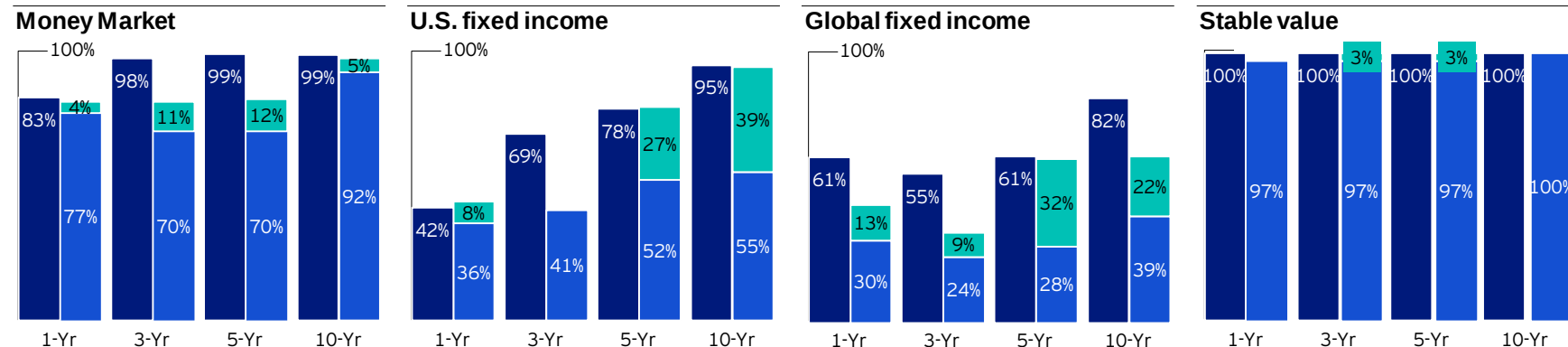
## By investment objective (actively managed assets)\* (CONTINUED)



### 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

## Q2-20 vs. Q1-20



| (\$ millions)                                                                       | Q2-20          | Q1-20          | % Change <sup>1</sup> | (\$ millions)                                                                                | Q2-20          | Q1-20          | % Change <sup>1</sup> |
|-------------------------------------------------------------------------------------|----------------|----------------|-----------------------|----------------------------------------------------------------------------------------------|----------------|----------------|-----------------------|
| US GAAP Basis                                                                       |                |                |                       | Non-GAAP Basis                                                                               |                |                |                       |
| Investment Management Fees                                                          | 1,037.1        | 1,168.3        | (11.2)%               | Investment Management Fees                                                                   | 1,114.1        | 1,241.6        | (10.3)%               |
| Service and Distribution Fees                                                       | 332.7          | 365.8          | (9.0)%                | Service and Distribution Fees                                                                | 332.7          | 365.8          | (9.0)%                |
| Performance Fees                                                                    | 3.5            | 4.8            | (27.1)%               | Performance Fees                                                                             | 6.0            | 9.1            | (34.1)%               |
| Other                                                                               | 45.7           | 60.0           | (23.8)%               | Other                                                                                        | 48.7           | 66.5           | (26.8)%               |
| Revenue adjustments*                                                                | 0.0            | 0.0            | N/A                   | Revenue adjustments*                                                                         | (467.2)        | (537.2)        | (13.0)%               |
| <b>Total Operating Revenues</b>                                                     | <b>1,419.0</b> | <b>1,598.9</b> | <b>(11.3)%</b>        | <b>Net Revenues</b>                                                                          | <b>1,034.3</b> | <b>1,145.8</b> | <b>(9.7)%</b>         |
| Third-Party Distribution, Service and Advisory                                      | 444.0          | 515.1          | (13.8)%               | Third-Party Distribution, Service and Advisory                                               | 0.0            | 0.0            | N/A                   |
| Employee Compensation                                                               | 454.6          | 421.9          | 7.8%                  | Employee Compensation                                                                        | 444.1          | 474.8          | (6.5)%                |
| Marketing                                                                           | 14.4           | 32.7           | (56.0)%               | Marketing                                                                                    | 16.6           | 35.0           | (52.6)%               |
| Property, Office and Technology                                                     | 128.3          | 130.4          | (1.6)%                | Property, Office and Technology                                                              | 130.6          | 132.6          | (1.5)%                |
| General and Administrative                                                          | 188.9          | 106.3          | 77.7%                 | General and Administrative                                                                   | 83.3           | 90.7           | (8.2)%                |
| Transaction, Integration, and Restructuring                                         | 71.7           | 75.5           | (5.0)%                | Transaction, Integration, and Restructuring                                                  | 0.0            | 0.0            | N/A                   |
| <b>Total Operating Expenses</b>                                                     | <b>1,301.9</b> | <b>1,281.9</b> | <b>1.6%</b>           | <b>Adjusted Operating Expenses</b>                                                           | <b>674.6</b>   | <b>733.1</b>   | <b>(8.0)%</b>         |
| <b>Operating Income</b>                                                             | <b>117.1</b>   | <b>317.0</b>   | <b>(63.1)%</b>        | <b>Adjusted Operating Income</b>                                                             | <b>359.7</b>   | <b>412.7</b>   | <b>(12.8)%</b>        |
| Equity in Earnings of Unconsolidated Affiliates                                     | 11.2           | 16.9           | (33.7)%               | Equity in Earnings of Unconsolidated Affiliates                                              | (53.1)         | 21.3           | N/A                   |
| Interest and Dividend Income                                                        | 2.4            | 6.4            | (62.5)%               | Interest and Dividend Income                                                                 | 3.2            | 7.7            | (58.4)%               |
| Interest Expense                                                                    | (34.8)         | (36.3)         | (4.1)%                | Interest Expense                                                                             | (34.8)         | (36.3)         | (4.1)%                |
| Other Gains and Losses, net                                                         | 60.0           | (106.5)        | N/A                   | Other Gains and Losses, net                                                                  | 29.9           | (89.8)         | N/A                   |
| Other income/(expense) of CIP, net                                                  | (50.5)         | (20.1)         | 151.2%                | Other income/(expense) of CIP, net                                                           | 0.0            | 0.0            | N/A                   |
| <b>Income before income taxes</b>                                                   | <b>105.4</b>   | <b>177.4</b>   | <b>(40.6)%</b>        | <b>Adjusted income before taxes</b>                                                          | <b>304.9</b>   | <b>315.6</b>   | <b>(3.4)%</b>         |
| Income Tax Provision                                                                | (43.4)         | (57.4)         | (24.4)%               | Income Tax Provision                                                                         | (74.4)         | (88.0)         | (15.5)%               |
| Effective Tax Rate <sup>2</sup>                                                     | 41.2%          | 32.4%          |                       | Effective Tax Rate <sup>2</sup>                                                              | 24.4%          | 27.9%          |                       |
| <b>Net Income</b>                                                                   | <b>62.0</b>    | <b>120.0</b>   | <b>(48.3)%</b>        | <b>Adjusted Net Income</b>                                                                   | <b>230.5</b>   | <b>227.6</b>   | <b>1.3%</b>           |
| Net (Income)/Loss attributable to Noncontrolling Interests in Consolidated Entities | 37.7           | 20.7           | 82.1%                 | Adjusted Net (Income)/Loss attributable to Noncontrolling Interests in Consolidated Entities | (11.6)         | (13.1)         | (11.5)%               |
| 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>40.5</b>    | <b>81.5</b>    | <b>(50.3)%</b>        | <b>Adjusted net income attributable to Invesco Ltd.</b>                                      | <b>159.7</b>   | <b>155.3</b>   | <b>2.8%</b>           |
| <b>Diluted EPS</b>                                                                  | <b>\$0.09</b>  | <b>\$0.18</b>  | <b>(50.0)%</b>        | <b>Adjusted Diluted EPS</b>                                                                  | <b>\$0.35</b>  | <b>\$0.34</b>  | <b>2.9%</b>           |

(1) change based on rounded figures

(2) Effective tax rate = Tax expense/ Income before income taxes and minority interest

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, 2020



Please refer to pages 7-10 in the 2Q 2020 earnings press release for a description of the adjustments

| (\$ millions)                                                                                                 | US GAAP Basis  | Consolidation of Joint Ventures | 3 <sup>rd</sup> party distribution, service and advisory expenses | Transaction, integration, and restructuring | Market appreciation / depreciation of deferred compensation awards | Consolidated Investment Products | Other reconciling items | Non-GAAP basis |
|---------------------------------------------------------------------------------------------------------------|----------------|---------------------------------|-------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------|----------------------------------|-------------------------|----------------|
| <b>Operating Revenues</b>                                                                                     |                |                                 |                                                                   |                                             |                                                                    |                                  |                         |                |
| Investment Management Fees                                                                                    | 1,037.1        | 66.5                            | —                                                                 | —                                           | —                                                                  | 10.5                             | —                       | 1,114.1        |
| Service and Distribution Fees                                                                                 | 332.7          | —                               | —                                                                 | —                                           | —                                                                  | —                                | —                       | 332.7          |
| Performance Fees                                                                                              | 3.5            | 2.5                             | —                                                                 | —                                           | —                                                                  | —                                | —                       | 6.0            |
| Other                                                                                                         | 45.7           | 3.0                             | —                                                                 | —                                           | —                                                                  | —                                | —                       | 48.7           |
| Revenue adjustments*                                                                                          | —              | (23.2)                          | (444.0)                                                           | —                                           | —                                                                  | —                                | —                       | (467.2)        |
| <b>Total Operating Revenues reconciled to net revenues</b>                                                    | <b>1,419.0</b> | <b>48.8</b>                     | <b>(444.0)</b>                                                    | <b>—</b>                                    | <b>—</b>                                                           | <b>10.5</b>                      | <b>—</b>                | <b>1,034.3</b> |
| <b>Operating Expenses</b>                                                                                     |                |                                 |                                                                   |                                             |                                                                    |                                  |                         |                |
| Third-Party Distribution, Service and Advisory                                                                | 444.0          | —                               | (444.0)                                                           | —                                           | —                                                                  | —                                | —                       | —              |
| Employee Compensation                                                                                         | 454.6          | 17.5                            | —                                                                 | —                                           | (28.0)                                                             | —                                | —                       | 444.1          |
| Marketing                                                                                                     | 14.4           | 2.2                             | —                                                                 | —                                           | —                                                                  | —                                | —                       | 16.6           |
| Property, Office and Technology                                                                               | 128.3          | 2.3                             | —                                                                 | —                                           | —                                                                  | —                                | —                       | 130.6          |
| General and Administrative                                                                                    | 188.9          | 1.2                             | —                                                                 | —                                           | —                                                                  | (1.5)                            | (105.3)                 | 83.3           |
| Transaction, integration and restructuring*                                                                   | 71.7           | —                               | —                                                                 | (71.7)                                      | —                                                                  | —                                | —                       | —              |
| <b>Total Operating Expenses</b>                                                                               | <b>1,301.9</b> | <b>23.2</b>                     | <b>(444.0)</b>                                                    | <b>(71.7)</b>                               | <b>(28.0)</b>                                                      | <b>(1.5)</b>                     | <b>(105.3)</b>          | <b>674.6</b>   |
| <b>Operating Income reconciled to adjusted operating income</b>                                               | <b>117.1</b>   | <b>25.6</b>                     | <b>—</b>                                                          | <b>71.7</b>                                 | <b>28.0</b>                                                        | <b>12.0</b>                      | <b>105.3</b>            | <b>359.7</b>   |
| Equity in Earnings of Unconsolidated Affiliates                                                               | 11.2           | (11.0)                          | —                                                                 | —                                           | —                                                                  | (53.3)                           | —                       | (53.1)         |
| Interest and Dividend Income                                                                                  | 2.4            | 1.4                             | —                                                                 | —                                           | (0.7)                                                              | 0.1                              | —                       | 3.2            |
| Interest Expense                                                                                              | (34.8)         | —                               | —                                                                 | —                                           | —                                                                  | —                                | —                       | (34.8)         |
| Other Gains and Losses, net                                                                                   | 60.0           | 2.1                             | —                                                                 | —                                           | (56.8)                                                             | 28.4                             | (3.8)                   | 29.9           |
| Other income/(expense) of CIP, net                                                                            | (50.5)         | —                               | —                                                                 | —                                           | —                                                                  | 50.5                             | —                       | —              |
| <b>Income before income taxes</b>                                                                             | <b>105.4</b>   | <b>18.1</b>                     | <b>—</b>                                                          | <b>71.7</b>                                 | <b>(29.5)</b>                                                      | <b>37.7</b>                      | <b>101.5</b>            | <b>304.9</b>   |
| Income Tax Provision                                                                                          | (43.4)         | (6.4)                           | —                                                                 | (7.0)                                       | 6.9                                                                | —                                | (24.5)                  | (74.4)         |
| <b>Net income</b>                                                                                             | <b>62.0</b>    | <b>11.7</b>                     | <b>—</b>                                                          | <b>64.7</b>                                 | <b>(22.6)</b>                                                      | <b>37.7</b>                      | <b>77.0</b>             | <b>230.5</b>   |
| Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities                           | 37.7           | (11.7)                          | —                                                                 | —                                           | —                                                                  | (37.6)                           | —                       | (11.6)         |
| 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>40.5</b>    | <b>—</b>                        | <b>—</b>                                                          | <b>64.7</b>                                 | <b>(22.6)</b>                                                      | <b>0.1</b>                       | <b>77.0</b>             | <b>159.7</b>   |
| Diluted EPS                                                                                                   | \$0.09         |                                 |                                                                   |                                             |                                                                    | Adjusted diluted EPS             |                         | \$0.35         |
| Diluted Shares Outstanding                                                                                    | 463.1          |                                 |                                                                   |                                             |                                                                    | Diluted Shares Outstanding       |                         | 463.1          |
| Operating Margin                                                                                              | 8.3%           |                                 |                                                                   |                                             |                                                                    | Adjusted Operating Margin        |                         | 34.8%          |

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. \* 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, 2020



Please refer to pages 8-11 in the 1Q 2020 earnings press release for a description of the adjustments

| (\$ millions)                                                                                                 | US GAAP Basis  | Consolidation of Joint Ventures | 3 <sup>rd</sup> party distribution, service and advisory expenses | Transaction, integration, and restructuring | Market appreciation / depreciation of deferred compensation awards | Consolidated Investment Products | Other reconciling items | Non-GAAP basis |
|---------------------------------------------------------------------------------------------------------------|----------------|---------------------------------|-------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------|----------------------------------|-------------------------|----------------|
| <b>Operating Revenues</b>                                                                                     |                |                                 |                                                                   |                                             |                                                                    |                                  |                         |                |
| Investment Management Fees                                                                                    | 1,168.3        | 64.4                            | —                                                                 | —                                           | —                                                                  | 8.9                              | —                       | 1,241.6        |
| Service and Distribution Fees                                                                                 | 365.8          | —                               | —                                                                 | —                                           | —                                                                  | —                                | —                       | 365.8          |
| Performance Fees                                                                                              | 4.8            | 4.3                             | —                                                                 | —                                           | —                                                                  | —                                | —                       | 9.1            |
| Other                                                                                                         | 60.0           | 6.5                             | —                                                                 | —                                           | —                                                                  | —                                | —                       | 66.5           |
| Revenue adjustments*                                                                                          | —              | (22.1)                          | (515.1)                                                           | —                                           | —                                                                  | —                                | —                       | (537.2)        |
| <b>Total Operating Revenues reconciled to net revenues</b>                                                    | <b>1,598.9</b> | <b>53.1</b>                     | <b>(515.1)</b>                                                    | <b>—</b>                                    | <b>—</b>                                                           | <b>8.9</b>                       | <b>—</b>                | <b>1,145.8</b> |
| <b>Operating Expenses</b>                                                                                     |                |                                 |                                                                   |                                             |                                                                    |                                  |                         |                |
| Third-Party Distribution, Service and Advisory                                                                | 515.1          | —                               | (515.1)                                                           | —                                           | —                                                                  | —                                | —                       | —              |
| Employee Compensation                                                                                         | 421.9          | 15.1                            | —                                                                 | —                                           | 37.8                                                               | —                                | —                       | 474.8          |
| Marketing                                                                                                     | 32.7           | 2.3                             | —                                                                 | —                                           | —                                                                  | —                                | —                       | 35.0           |
| Property, Office and Technology                                                                               | 130.4          | 2.2                             | —                                                                 | —                                           | —                                                                  | —                                | —                       | 132.6          |
| General and Administrative                                                                                    | 106.3          | 1.4                             | —                                                                 | —                                           | —                                                                  | (17.0)                           | —                       | 90.7           |
| Transaction, integration and restructuring*                                                                   | 75.5           | —                               | —                                                                 | (75.5)                                      | —                                                                  | —                                | —                       | —              |
| <b>Total Operating Expenses</b>                                                                               | <b>1,281.9</b> | <b>21.0</b>                     | <b>(515.1)</b>                                                    | <b>(75.5)</b>                               | <b>37.8</b>                                                        | <b>(17.0)</b>                    | <b>—</b>                | <b>733.1</b>   |
| <b>Operating Income reconciled to adjusted operating income</b>                                               | <b>317.0</b>   | <b>32.1</b>                     | <b>—</b>                                                          | <b>75.5</b>                                 | <b>(37.8)</b>                                                      | <b>25.9</b>                      | <b>—</b>                | <b>412.7</b>   |
| Equity in Earnings of Unconsolidated Affiliates                                                               | 16.9           | (12.2)                          | —                                                                 | —                                           | —                                                                  | 16.6                             | —                       | 21.3           |
| Interest and Dividend Income                                                                                  | 6.4            | 1.5                             | —                                                                 | —                                           | (0.3)                                                              | 0.1                              | —                       | 7.7            |
| Interest Expense                                                                                              | (36.3)         | —                               | —                                                                 | —                                           | —                                                                  | —                                | —                       | (36.3)         |
| Other Gains and Losses, net                                                                                   | (106.5)        | 0.5                             | —                                                                 | —                                           | 67.7                                                               | (41.8)                           | (9.7)                   | (89.8)         |
| Other income/(expense) of CIP, net                                                                            | (20.1)         | —                               | —                                                                 | —                                           | —                                                                  | 20.1                             | —                       | —              |
| <b>Income before income taxes</b>                                                                             | <b>177.4</b>   | <b>21.9</b>                     | <b>—</b>                                                          | <b>75.5</b>                                 | <b>29.6</b>                                                        | <b>20.9</b>                      | <b>(9.7)</b>            | <b>315.6</b>   |
| Income Tax Provision                                                                                          | (57.4)         | (8.9)                           | —                                                                 | (8.1)                                       | (7.0)                                                              | —                                | (6.6)                   | (88.0)         |
| <b>Net income</b>                                                                                             | <b>120.0</b>   | <b>13.0</b>                     | <b>—</b>                                                          | <b>67.4</b>                                 | <b>22.6</b>                                                        | <b>20.9</b>                      | <b>(16.3)</b>           | <b>227.6</b>   |
| Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities                           | 20.7           | (13.0)                          | —                                                                 | —                                           | —                                                                  | (20.8)                           | —                       | (13.1)         |
| 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>81.5</b>    | <b>—</b>                        | <b>—</b>                                                          | <b>67.4</b>                                 | <b>22.6</b>                                                        | <b>0.1</b>                       | <b>(16.3)</b>           | <b>155.3</b>   |
| Diluted EPS                                                                                                   | \$0.18         |                                 |                                                                   |                                             |                                                                    | Adjusted diluted EPS             |                         | \$0.34         |
| Diluted Shares Outstanding                                                                                    | 458.9          |                                 |                                                                   |                                             |                                                                    | Diluted Shares Outstanding       |                         | 458.9          |
| Operating Margin                                                                                              | 19.8%          |                                 |                                                                   |                                             |                                                                    | Adjusted Operating Margin        |                         | 36.0%          |

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. \* 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



| (\$ millions)                                       | 3Q 2018 | 4Q 2018 | 1Q 2019 | 2Q 2019 | 3Q 2019 | 4Q 2019 | 1Q 2020 | 2Q 2020 |
|-----------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Operating Revenues                                  | 1,341.8 | 1,255.9 | 1,214.6 | 1,439.4 | 1,720.6 | 1,742.8 | 1,598.9 | 1,419.0 |
| Non-GAAP Adjustments                                | (374.9) | (336.7) | (327.5) | (407.9) | (491.9) | (475.0) | (453.1) | (384.7) |
| Total Operating Revenues reconciled to net revenues | 966.9   | 919.2   | 887.1   | 1,031.5 | 1,228.7 | 1,267.8 | 1,145.8 | 1,034.3 |
| Operating Income                                    | 322.1   | 230.4   | 200.2   | 18.3    | 275.1   | 314.6   | 317.0   | 117.1   |
| Non-GAAP Adjustments                                | 35.7    | 69.6    | 84.1    | 345.1   | 227.5   | 190.9   | 95.7    | 242.6   |
| Adjusted operating income                           | 357.8   | 300.0   | 284.3   | 363.4   | 502.6   | 505.5   | 412.7   | 359.7   |
| Net income attributable to Invesco Ltd.             | 269.6   | 114.2   | 177.7   | 40.1    | 167.1   | 179.8   | 81.5    | 40.5    |
| Non-GAAP Adjustments                                | 4.8     | 67.0    | 47.1    | 240.3   | 158.1   | 113.8   | 73.8    | 119.2   |
| Adjusted net income attributable to Invesco Ltd.    | 274.4   | 181.2   | 224.8   | 280.4   | 325.2   | 293.6   | 155.3   | 159.7   |

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 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.