

Cohen & Steers: Q1 2023 Earnings Presentation

Summary of first quarter 2023 results

Assets under management

- March 31, 2023 AUM was \$79.9 billion versus \$80.4 billion at December 31, 2022
- Average AUM was \$83.2 billion for Q1 2023 versus \$80.5 billion for Q4 2022
- Market appreciation was \$671 million for Q1 2023 versus market appreciation of \$3.5 billion for Q4 2022

Flows

- Net outflows of \$497 million in Q1 2023 versus net outflows of \$1.1 billion in Q4 2022
- Net outflows in subadvisory ex. Japan, advisory, open-end funds and closed-end funds
- Net inflows in Japan subadvisory

Financial results, as adjusted

- Net income was \$37.6 million in Q1 2023 versus \$38.7 million in Q4 2022
- Diluted EPS of \$0.76 in Q1 2023 versus \$0.79 in Q4 2022
- Operating margin was 38.0% in Q1 2023 versus 40.5% in Q4 2022

Refer to pages 16-20 of this presentation for reconciliations of U.S. GAAP to as adjusted results.

Financial results, as adjusted

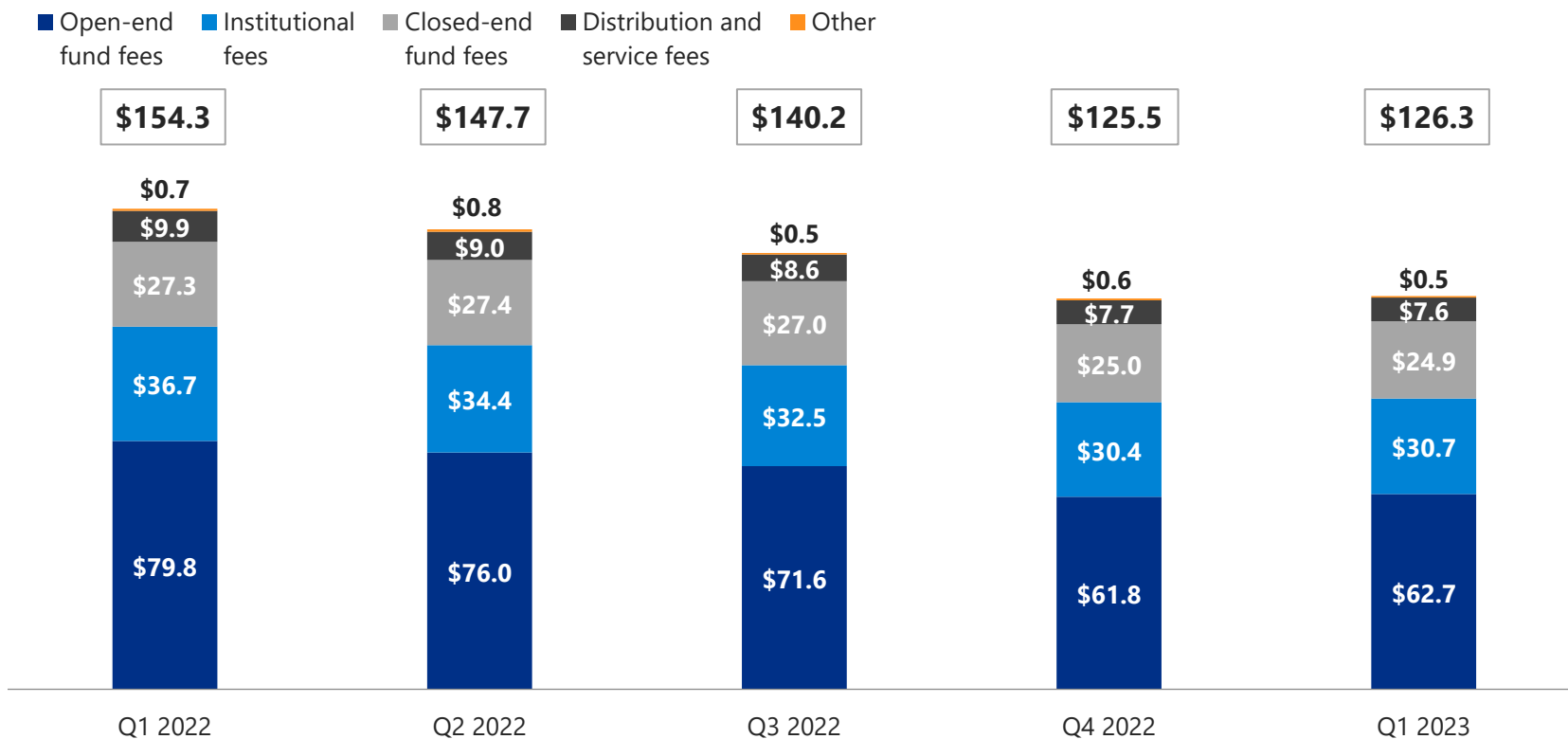
\$ in millions, except earnings per share and percentages



Refer to pages 16-20 of this presentation for reconciliations of U.S. GAAP to as adjusted results.

Revenue, as adjusted

\$ in millions

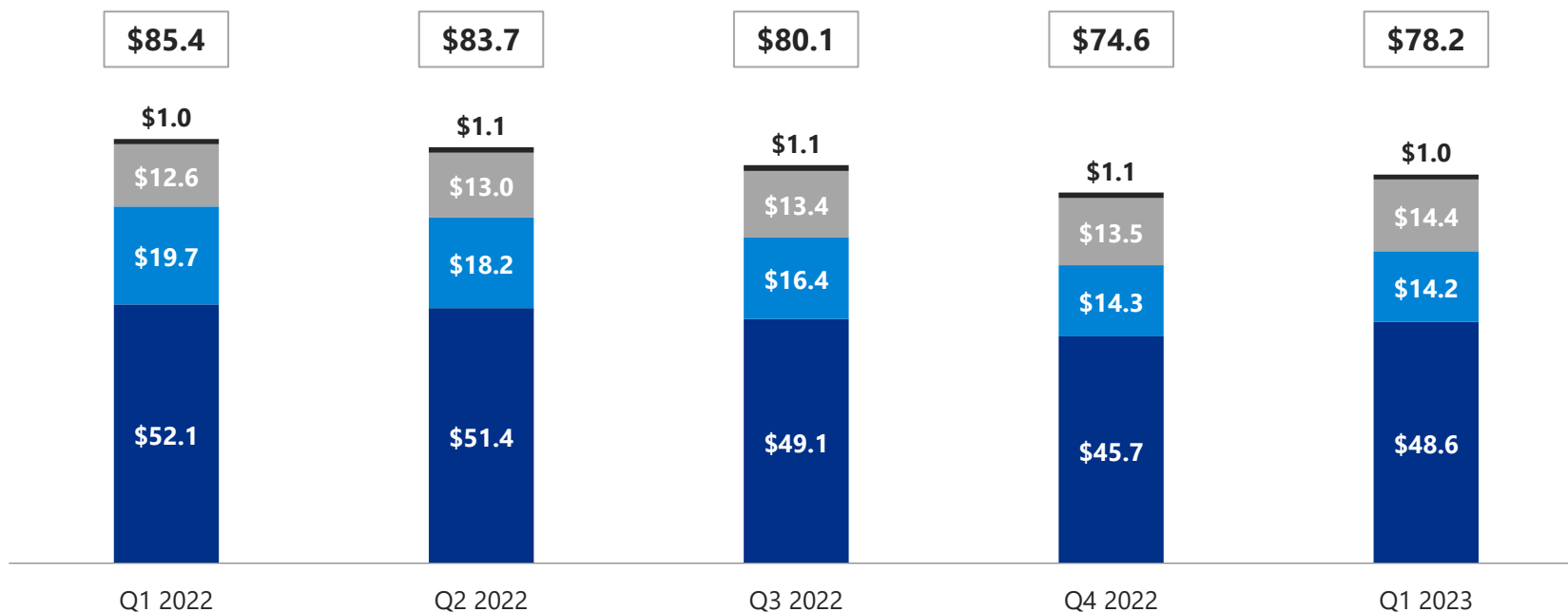


Refer to pages 16-20 of this presentation for reconciliations of U.S. GAAP to as adjusted results. Totals may not foot due to rounding.

Expenses, as adjusted

\$ in millions

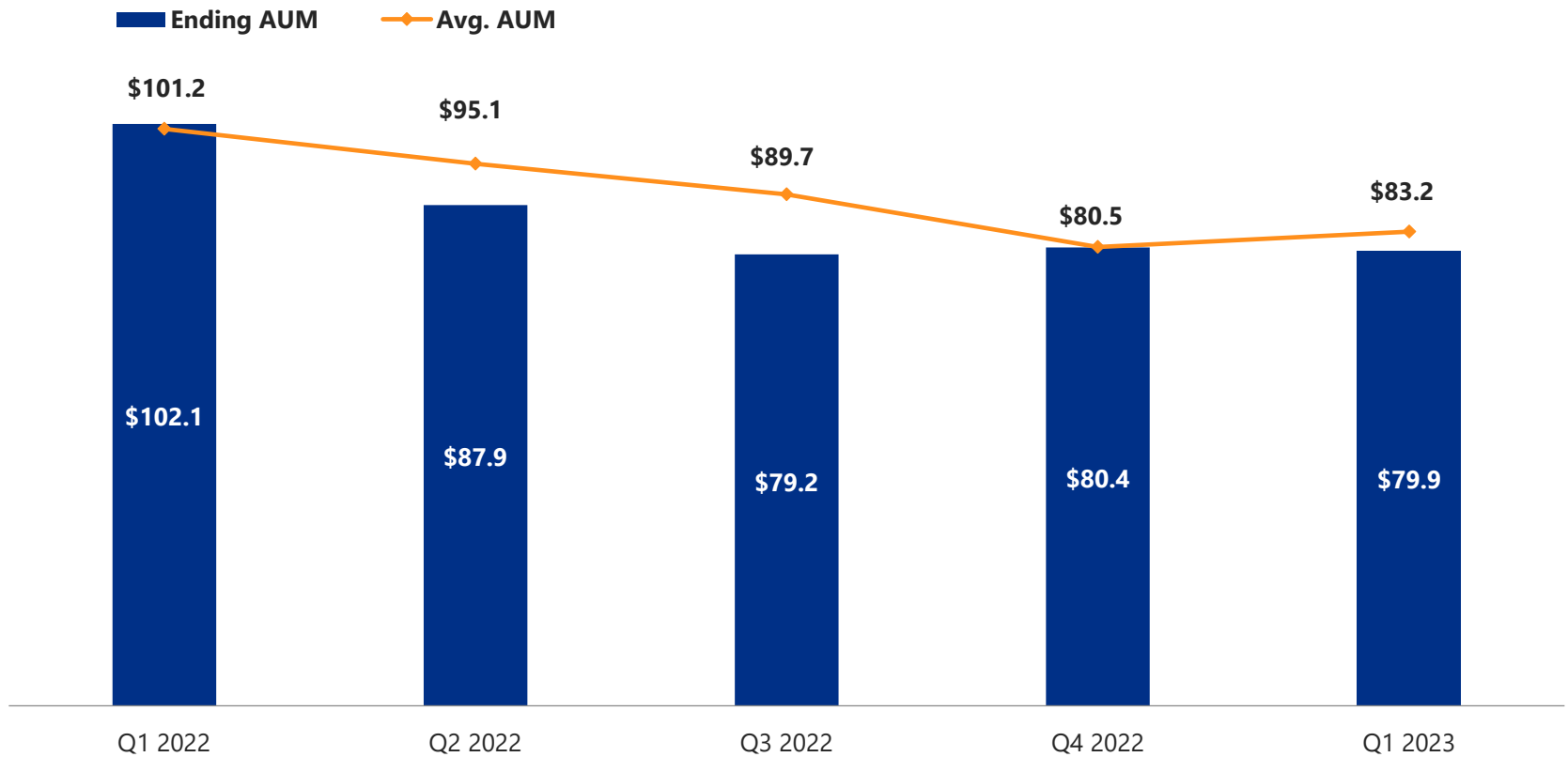
- Employee compensation and benefits
- Distribution and service fees
- General and administrative
- Depreciation and amortization



Refer to pages 16-20 of this presentation for reconciliations of U.S. GAAP to as adjusted results.
Totals may not foot due to rounding.

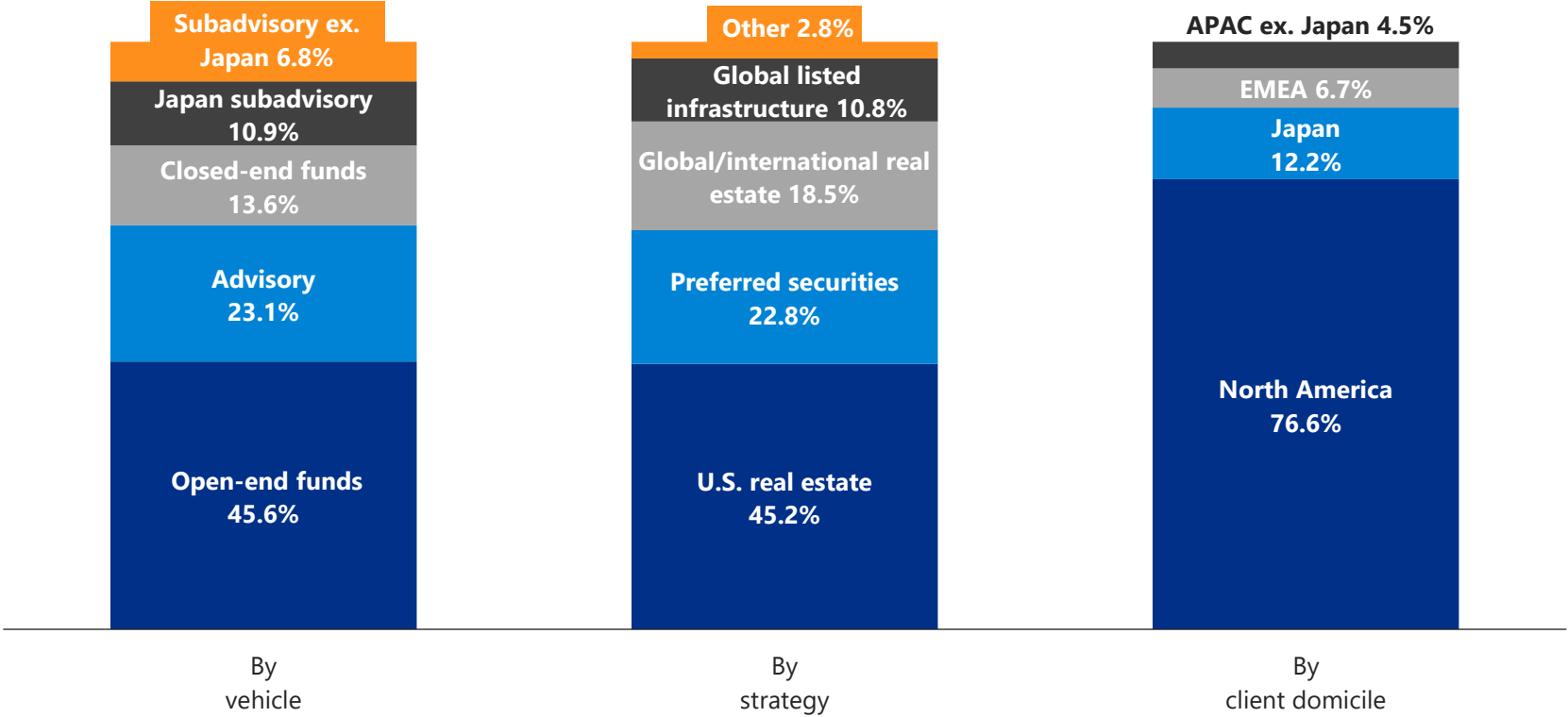
Assets under management

\$ in billions



Assets under management

Across vehicle, strategy, and client domicile

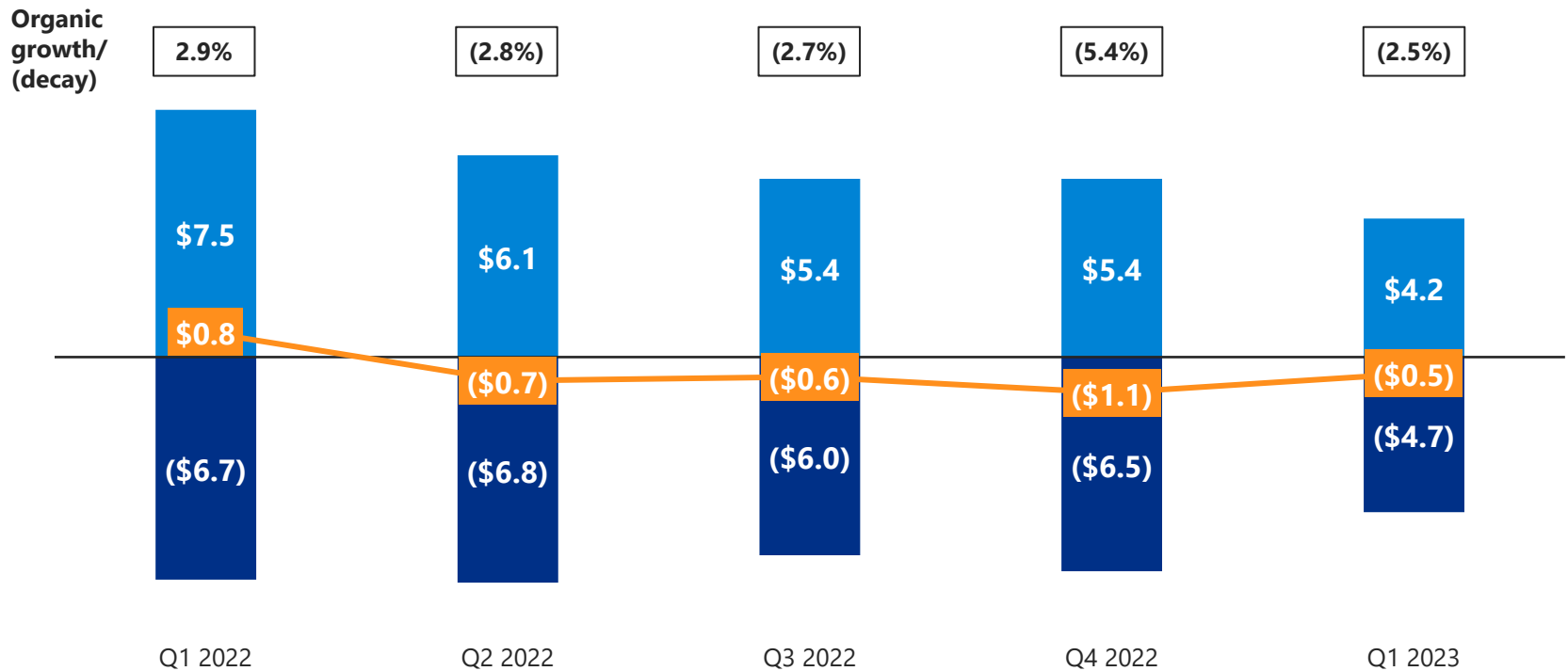


As of March 31, 2023.
Totals may not foot due to rounding.

Total firm net flows

\$ in billions

Inflows Outflows Net flows



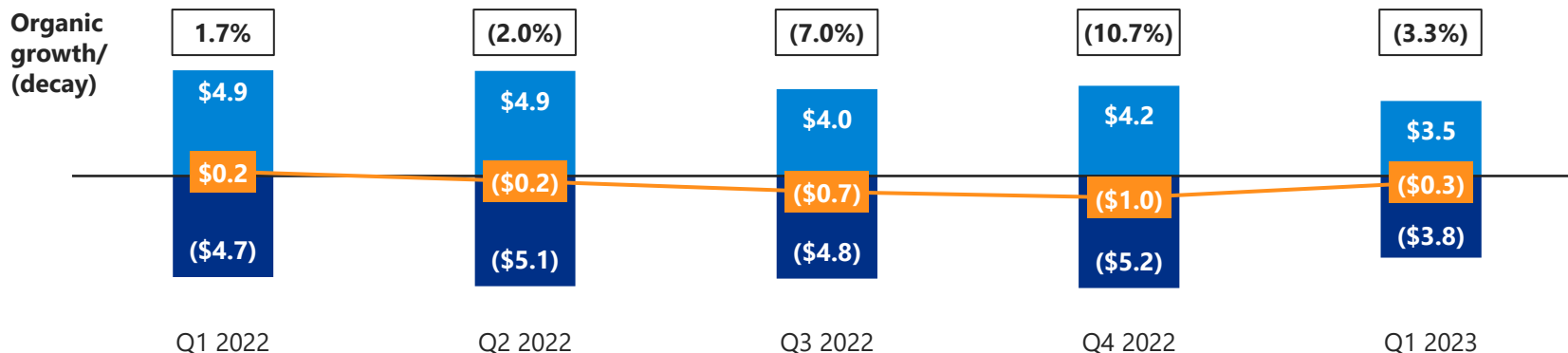
Totals may not foot due to rounding.

Net flows by investment vehicle

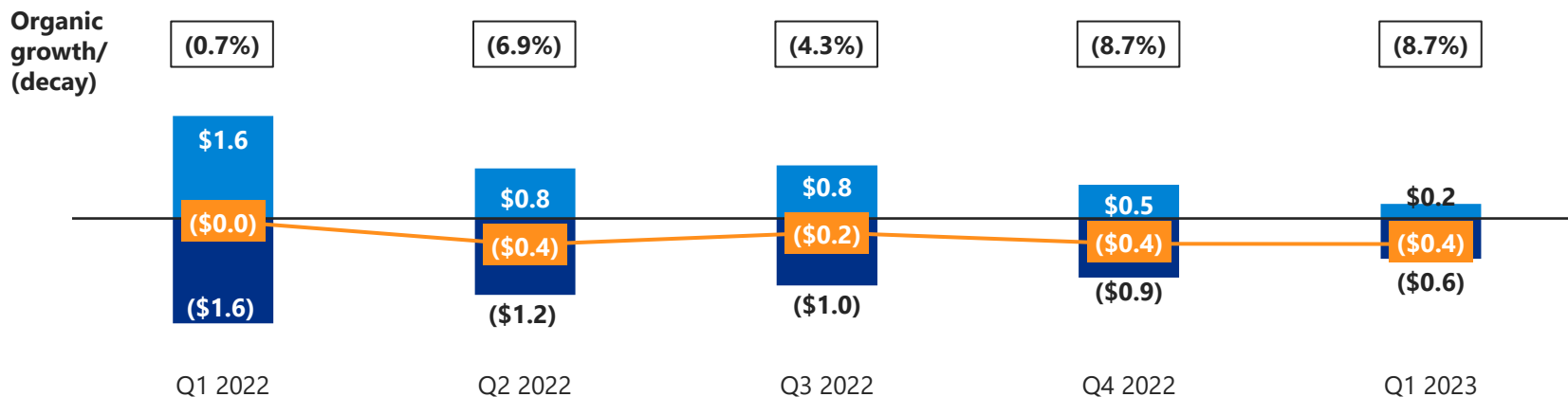
\$ in billions

Inflows Outflows Net flows

Open-end funds



Advisory



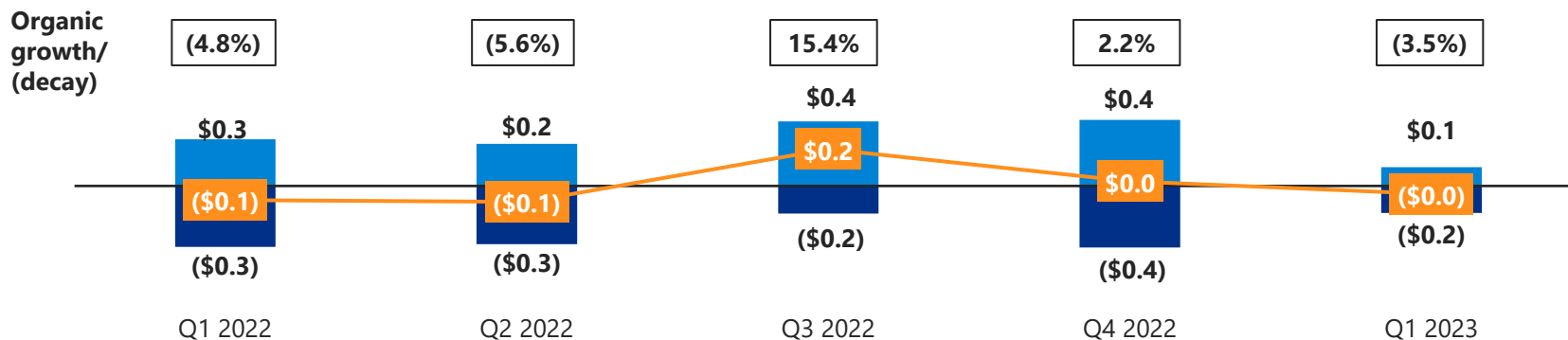
Totals may not foot due to rounding.

Net flows by investment vehicle

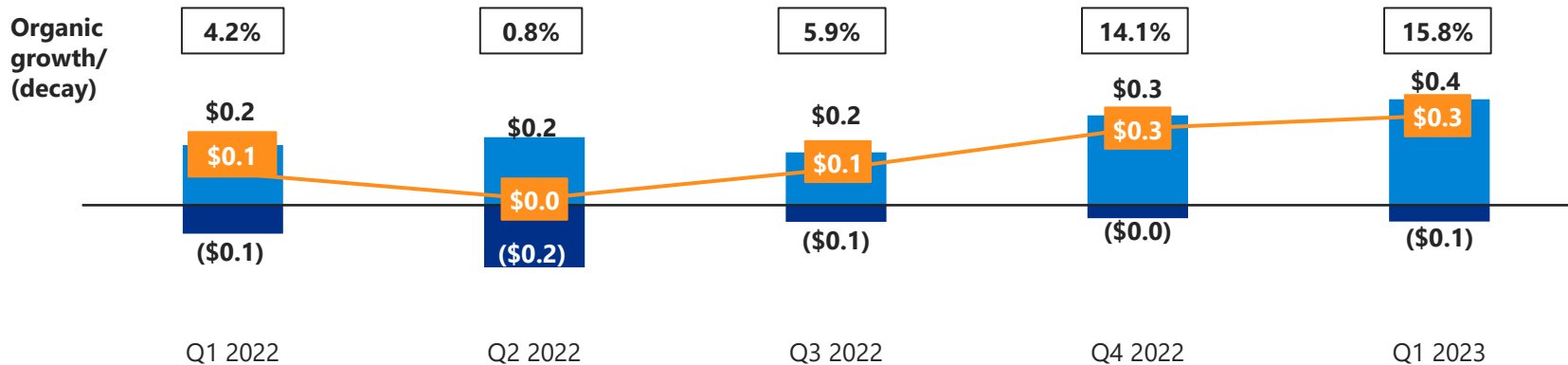
\$ in billions

Inflows Outflows Net flows

Subadvisory ex. Japan



Japan subadvisory



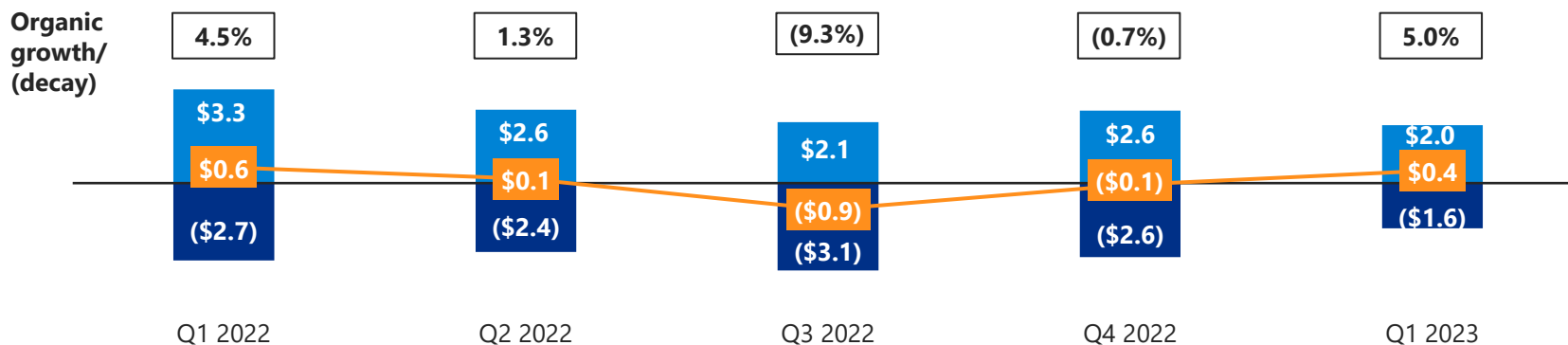
Totals may not foot due to rounding.

Net flows by investment strategy

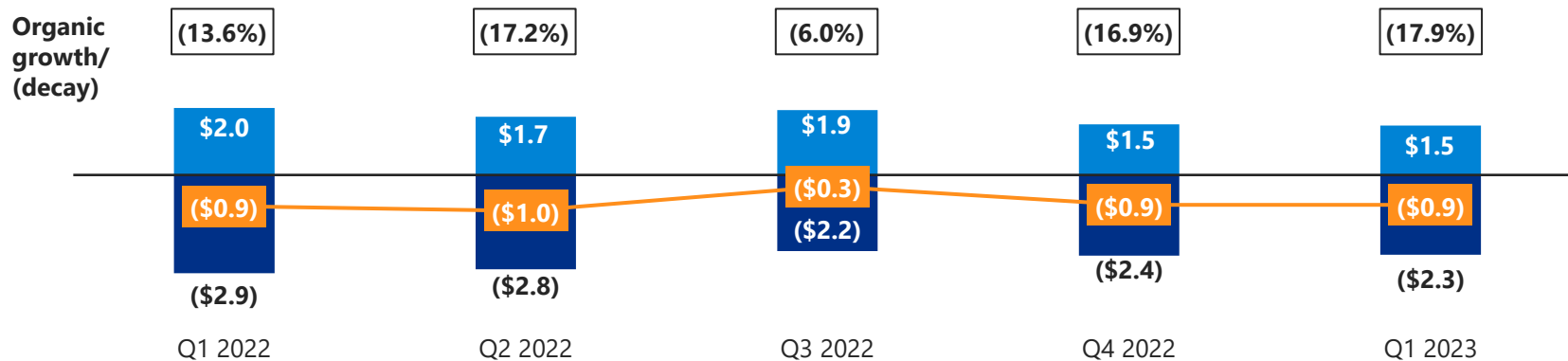
\$ in billions

Inflows Outflows Net flows

U.S. real estate



Preferred securities



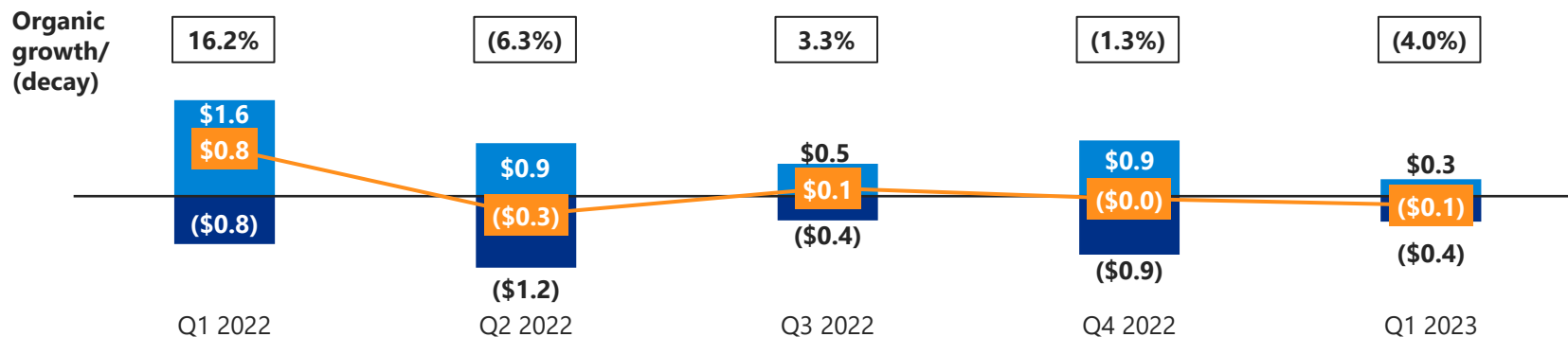
Totals may not foot due to rounding.

Net flows by investment strategy

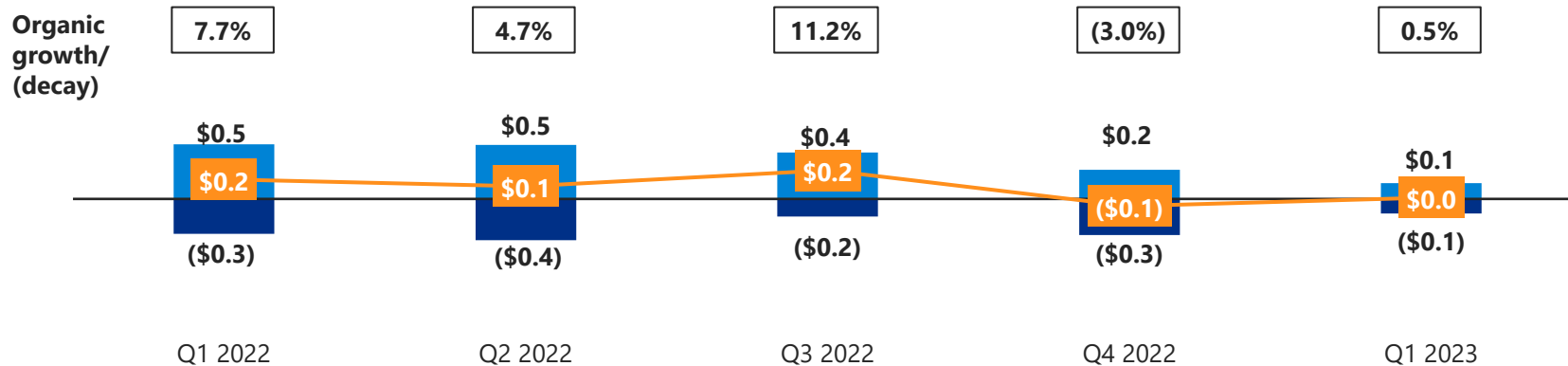
\$ in billions

Inflows Outflows Net flows

Global/international real estate



Global listed infrastructure

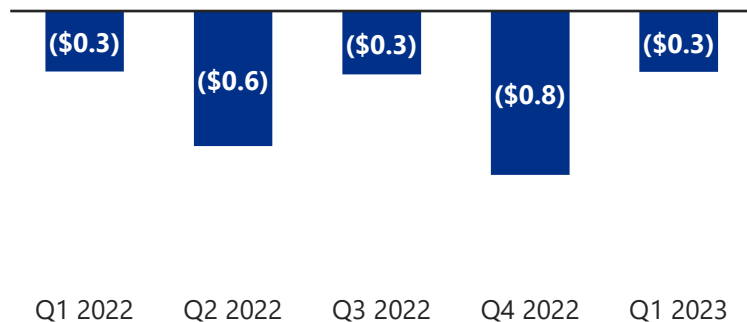


Totals may not foot due to rounding.

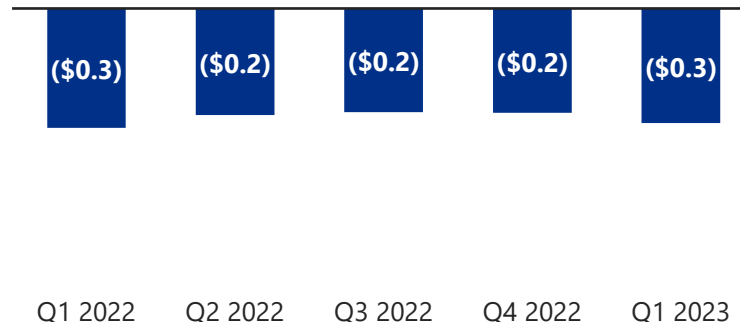
Distributions by investment vehicle

\$ in billions

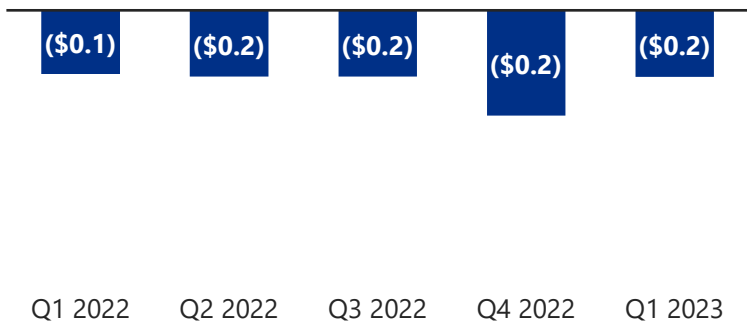
Open-end funds



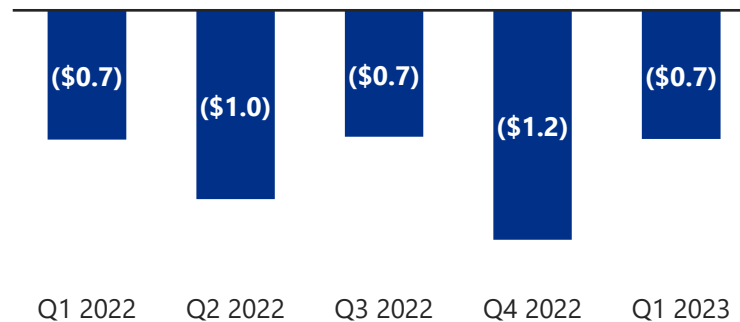
Japan subadvisory



Closed-end funds



Total



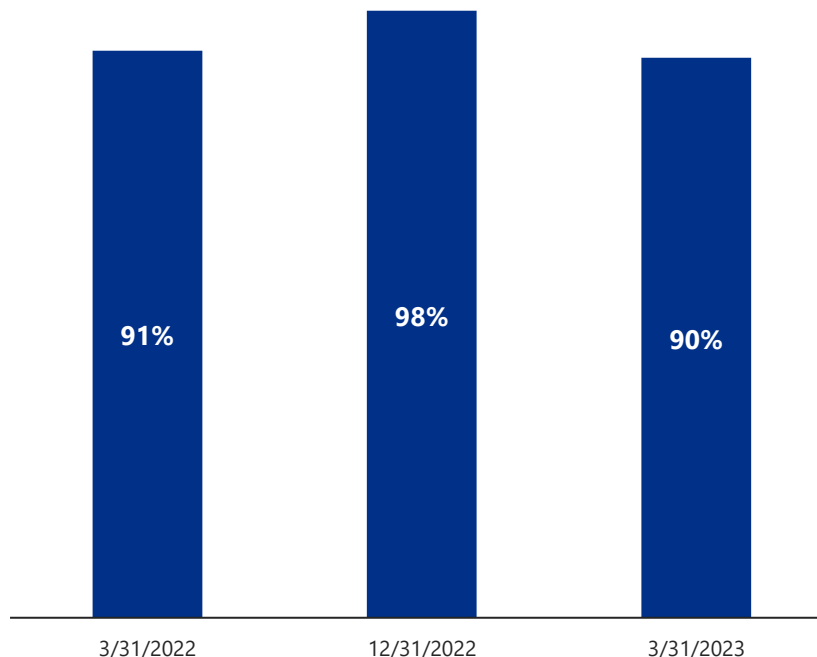
Totals may not foot due to rounding.

Investment performance

% of total AUM in outperforming strategies⁽¹⁾



% of U.S. open-end fund AUM rated 4 or 5 stars by Morningstar⁽²⁾

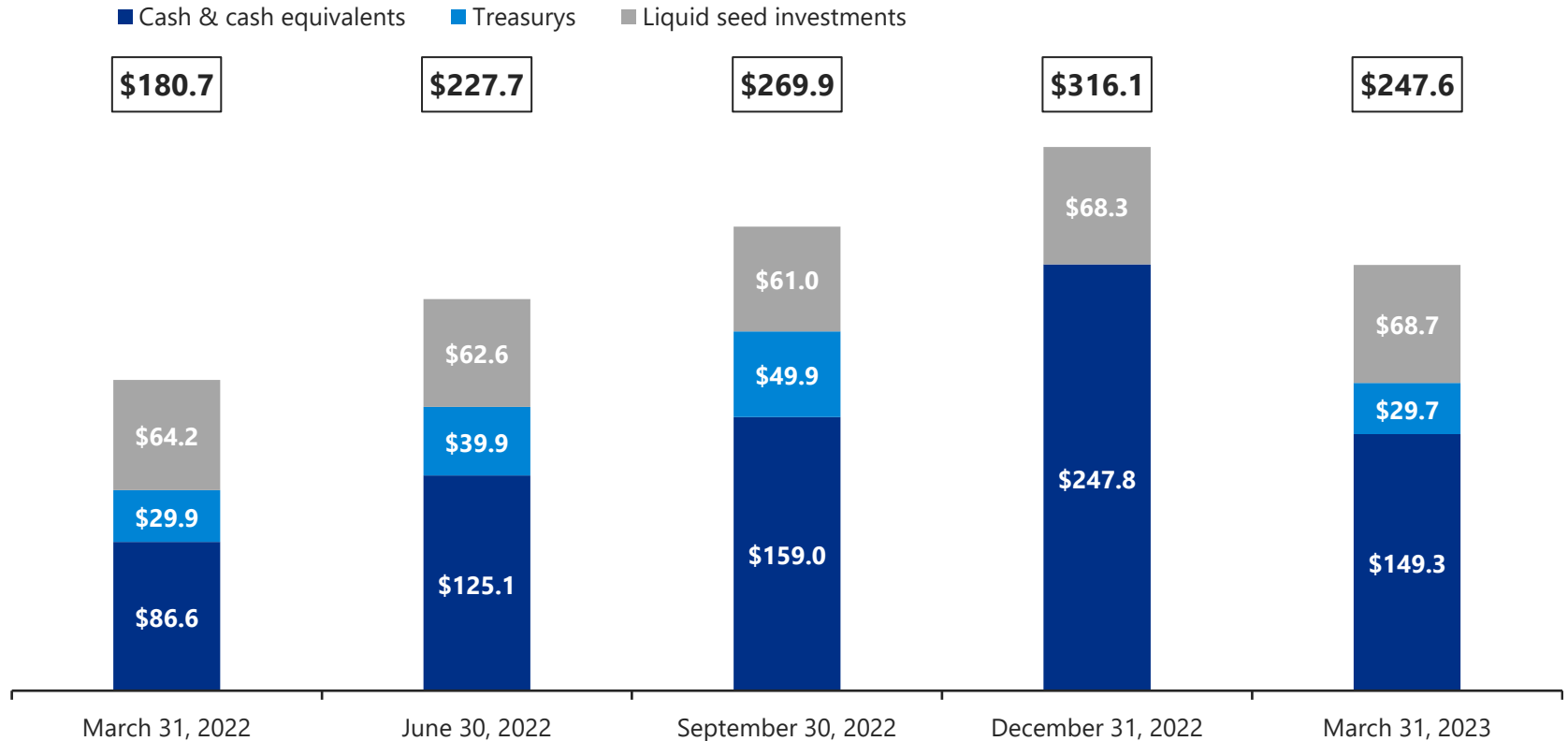


(1) Past performance is no guarantee of future results. Outperformance is determined by comparing the annualized investment performance of each investment strategy to the performance of specified reference benchmarks. Investment performance in excess of the performance of the benchmark is considered 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, 2023. 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 21 of this presentation for more information about our investment performance.

Cash, cash equivalents, liquid seed investments and U.S. Treasurys

\$ in millions



Totals may not foot due to rounding.

Reconciliations of U.S. GAAP to as adjusted financial results

Management believes that use of the following as adjusted (non-GAAP) financial results provides greater transparency into the company's operating performance. In addition, these as adjusted financial results are used to prepare the company's internal management reports, which are used in evaluating its business.

While management believes that these as adjusted financial results are useful in evaluating operating performance, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP.

Effective January 1, 2023, the company revised its philosophy for as adjusted results to include interest and dividends from seed investments. Prior period amounts have not been recast to conform with the current period results as the impact was not significant.

Reconciliation of U.S. GAAP to as adjusted financial results

Net income attributable to common stockholders and diluted earnings per share

\$ in thousands, except per share data

	Three Months Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Net income attributable to common stockholders, U.S. GAAP	\$42,018	\$51,956	\$44,570	\$32,498	\$35,314
Seed investments-net ⁽¹⁾	1,051	2,170	1,635	(539)	968
Accelerated vesting of restricted stock units	2,305	2,490	2,556	2,909	245
Lease transition and other costs – 280 Park Avenue ⁽²⁾	—	—	—	776	2,443
Initial public offering costs ⁽³⁾	15,239	—	—	—	—
Foreign currency exchange (gains) losses – net ⁽⁴⁾	(1,212)	(3,542)	(3,931)	3,944	1,090
Tax adjustments-net ⁽⁵⁾	(8,249)	(5,872)	337	(858)	(2,466)
Net income attributable to common stockholders, as adjusted	\$51,152	\$47,202	\$45,167	\$38,730	\$37,594
Diluted weighted average shares outstanding	49,337	49,208	49,317	49,328	49,402
Diluted earnings per share, U.S. GAAP	\$0.85	\$1.06	\$0.90	\$0.66	\$0.71
Seed investments-net	0.02	0.04	0.04	(0.01)	0.02
Accelerated vesting of restricted stock units	0.05	0.05	0.05	0.06	0.01
Lease transition and other costs – 280 Park Avenue	—	—	—	0.02	0.05
Initial public offering costs	0.31	—	—	—	—
Foreign currency exchange (gains) losses – net	(0.02)	(0.07)	(0.08)	0.08	0.02
Tax adjustments-net	(0.17)	(0.12)	0.01	(0.02)	(0.05)
Diluted earnings per share, as adjusted	\$1.04	\$0.96	\$0.92	\$0.79	\$0.76

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

(1) Represents amounts related to the deconsolidation of seed investments in consolidated investment vehicles as well as non-operating (income) loss from seed investments that were not consolidated. In accordance with the company's revised philosophy, interest and dividends from seed investments were not included in the adjustment for the three months ended March 31, 2023.

(2) Represents lease and other expenses related to the company's current headquarters at 280 Park Avenue, which it expects to vacate in the fourth quarter of 2023. In connection with the transition to its future headquarters, the company will recognize additional GAAP expense as a result of the overlapping terms for both its current and future headquarters until its current headquarters lease expires in January 2024.

(3) Represents costs associated with the initial public offering of Cohen & Steers Real Estate Opportunities and Income Fund (RLTY). Costs are summarized in the following table:

Employee compensation and benefits	\$357	\$—	\$—	\$—	\$—
Distribution and service fees	14,224	—	—	—	—
General and administrative	658	—	—	—	—
Initial public offering costs	\$15,239	\$—	\$—	\$—	\$—

(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:

Exclusion of tax effects associated with items noted above	(\$4,281)	\$15	\$301	\$443	(\$1,285)
Exclusion of discrete tax items	(3,968)	(5,887)	36	(1,301)	(1,181)
Total tax adjustments	(\$8,249)	(\$5,872)	\$337	(\$858)	(\$2,466)

Reconciliation of U.S. GAAP to as adjusted financial results

Revenue, expenses, operating income and operating margin

\$ in thousands, except percentages

	Three Months Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Revenue, U.S. GAAP	\$154,189	\$147,431	\$139,951	\$125,335	\$126,082
Seed investments ⁽¹⁾	123	292	215	160	183
Revenue, as adjusted	\$154,312	\$147,723	\$140,166	\$125,495	\$126,265
Expenses, U.S. GAAP	\$103,198	\$86,437	\$82,770	\$78,563	\$81,183
Seed investments ⁽¹⁾	(276)	(218)	(104)	(240)	(267)
Accelerated vesting of restricted stock units	(2,305)	(2,490)	(2,556)	(2,909)	(245)
Lease transition and other costs – 280 Park Avenue ⁽²⁾	—	—	—	(776)	(2,443)
Initial public offering costs ⁽³⁾	(15,239)	—	—	—	—
Expenses, as adjusted	\$85,378	\$83,729	\$80,110	\$74,638	\$78,228
Operating income, U.S. GAAP	\$50,991	\$60,994	\$57,181	\$46,772	\$44,899
Seed investments ⁽¹⁾	399	510	319	400	450
Accelerated vesting of restricted stock units	2,305	2,490	2,556	2,909	245
Lease transition and other costs – 280 Park Avenue ⁽²⁾	—	—	—	776	2,443
Initial public offering costs ⁽³⁾	15,239	—	—	—	—
Operating income, as adjusted	\$68,934	\$63,994	\$60,056	\$50,857	\$48,037
Operating margin, U.S. GAAP	33.1%	41.4%	40.9%	37.3%	35.6%
Operating margin, as adjusted	44.7%	43.3%	42.8%	40.5%	38.0%

(1) Represents amounts related to the deconsolidation of seed investments in consolidated investment vehicles.

(2) Represents lease and other expenses related to the company's current headquarters at 280 Park Avenue, which it expects to vacate in the fourth quarter of 2023. In connection with the transition to its future headquarters, the company will recognize additional GAAP expense as a result of the overlapping terms for both its current and future headquarters until its current headquarters lease expires in January 2024.

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

Employee compensation and benefits	\$357	\$—	\$—	\$—	\$—
Distribution and service fees	14,224	—	—	—	—
General and administrative	658	—	—	—	—
Initial public offering costs	\$15,239	\$—	\$—	\$—	\$—

Reconciliation of U.S. GAAP to as adjusted financial results

Non-operating income (loss)

\$ in thousands

	Three Months Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Non-operating income (loss), U.S. GAAP	\$5,110	(\$25,002)	(\$1,974)	\$2,825	\$1,632
Seed investments-net ⁽¹⁾	(4,171)	27,467	6,272	(5,323)	(466)
Foreign currency exchange (gain) loss-net ⁽²⁾	(1,212)	(3,542)	(3,931)	3,944	1,090
Non-operating income (loss), as adjusted	(\$273)	(\$1,077)	\$367	\$1,446	\$2,256

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(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 financial results

Summary of Operating Items

	Adjustments					As adjusted
	U.S. GAAP	Seed investments ⁽¹⁾	Accelerated vesting of restricted stock units	Closed-end Initial public offering costs ⁽²⁾	Lease transition and other costs – 280 Park Avenue ⁽³⁾	
Q1 2023						
Investment advisory and administration fees	\$118,034	\$171	\$-	\$-	\$-	\$118,205
Other	\$486	\$12	\$-	\$-	\$-	\$498
Employee compensation and benefits	\$48,857	\$-	(\$245)	\$-	\$-	\$48,612
General and administrative	\$17,122	(\$267)	\$-	\$-	(\$2,443)	\$14,412
Q4 2022						
Investment advisory and administration fees	\$117,102	\$149	\$-	\$-	\$-	\$117,251
Other	\$571	\$11	\$-	\$-	\$-	\$582
Employee compensation and benefits	\$48,562	\$-	(\$2,909)	\$-	\$-	\$45,653
General and administrative	\$14,530	(\$240)	\$-	\$-	(\$776)	\$13,514
Q3 2022						
Investment advisory and administration fees	\$130,885	\$200	\$-	\$-	\$-	\$131,085
Other	\$509	\$15	\$-	\$-	\$-	\$524
Employee compensation and benefits	\$51,669	\$-	(\$2,556)	\$-	\$-	\$49,113
General and administrative	\$13,548	(\$104)	\$-	\$-	\$-	\$13,444
Q2 2022						
Investment advisory and administration fees	\$137,655	\$261	\$-	\$-	\$-	\$137,916
Other	\$771	\$31	\$-	\$-	\$-	\$802
Employee compensation and benefits	\$53,857	\$-	(\$2,490)	\$-	\$-	\$51,367
General and administrative	\$13,238	(\$218)	\$-	\$-	\$-	\$13,020
Q1 2022						
Investment advisory and administration fees	\$143,669	\$111	\$-	\$-	\$-	\$143,780
Other	\$651	\$12	\$-	\$-	\$-	\$663
Employee compensation and benefits	\$54,743	\$-	(\$2,305)	(\$357)	\$-	\$52,081
Distribution and service fees	\$33,951	\$-	\$-	(\$14,224)	\$-	\$19,727
General and administrative	\$13,510	(\$276)	\$-	(\$658)	\$-	\$12,576
FY 2022						
Investment advisory and administration fees	\$529,311	\$721	\$-	\$-	\$-	\$530,032
Other	\$2,502	\$69	\$-	\$-	\$-	\$2,571
Employee compensation and benefits	\$208,831	\$-	(\$10,260)	(\$357)	\$-	\$198,214
Distribution and service fees	\$82,928	\$-	\$-	(\$14,224)	\$-	\$68,704
General and administrative	\$54,826	(\$838)	\$-	(\$658)	(\$776)	\$52,554

(1) Represents amounts related to the deconsolidation of seed investments in consolidated investment vehicles.

(2) Represents costs associated with the initial public offering of RLTY.

(3) Represents lease and other expenses related to the company's current headquarters at 280 Park Avenue, which it expects to vacate in the fourth quarter of 2023. In connection with the transition to its future headquarters, the company will recognize additional GAAP expense as a result of the overlapping terms for both its current and future headquarters until its current headquarters lease expires in January 2024.

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, 2022 (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 16-20 of this presentation.

Investment Performance:

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