

Cohen & Steers: Q3 2022 Earnings Presentation

Summary of third quarter 2022 results

Assets under management

- September 30, 2022 AUM was \$79.2 billion versus \$87.9 billion at June 30, 2022
- Average AUM was \$89.7 billion for Q3 2022 versus \$95.1 billion for Q2 2022
- Market depreciation was \$7.4 billion for Q3 2022 versus \$12.5 billion for Q2 2022

Flows

- Net outflows of \$598 million in Q3 2022 versus net outflows of \$717 million in Q2 2022
- Net inflows in subadvisory ex. Japan, Japan subadvisory and closed-end funds
- Net outflows in advisory and open-end funds

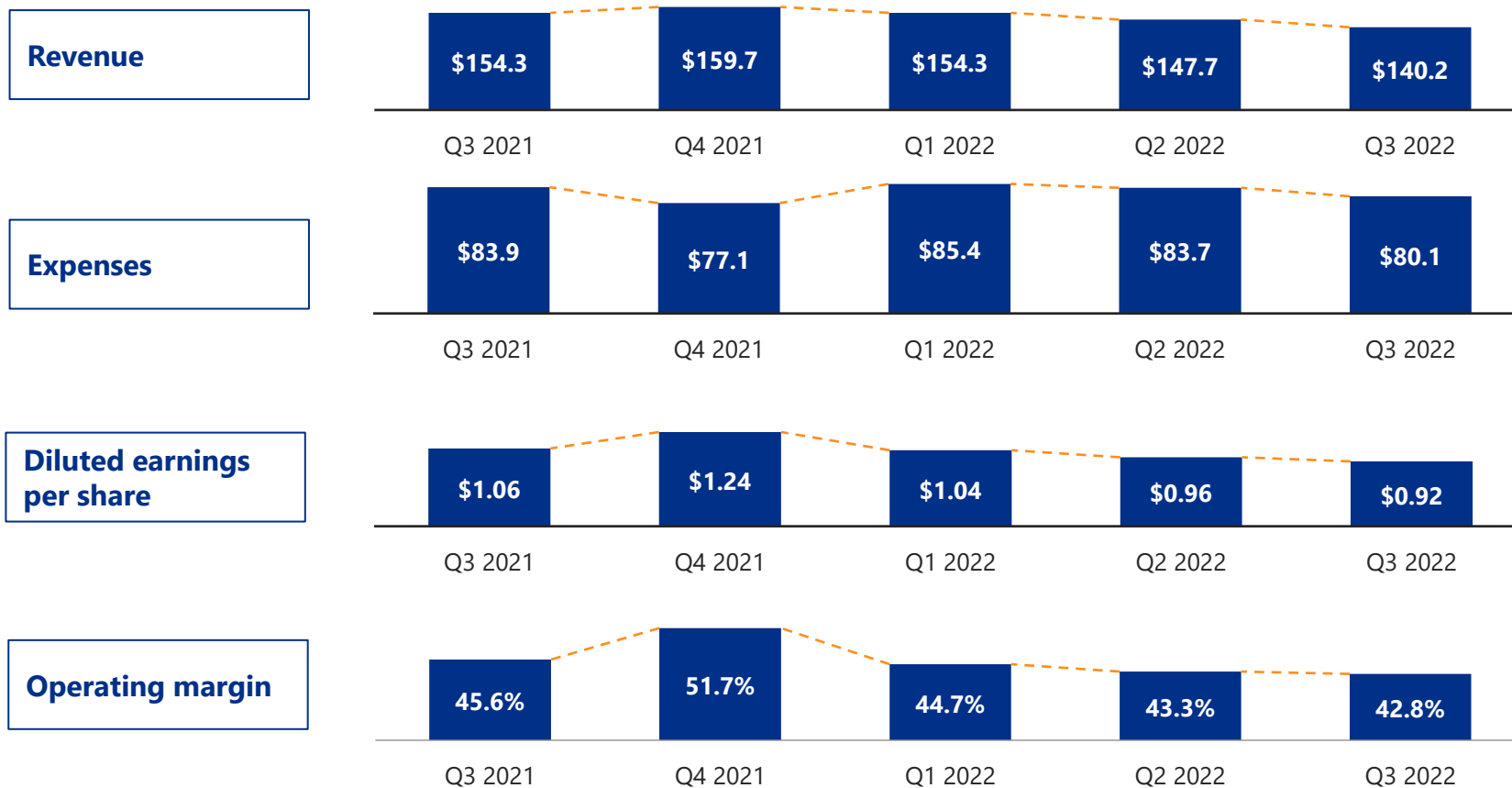
Financial results, as adjusted

- Net income was \$45.2 million in Q3 2022 versus \$47.2 million in Q2 2022
- Diluted EPS of \$0.92 in Q3 2022 versus \$0.96 in Q2 2022
- Operating margin was 42.8% in Q3 2022 versus 43.3% in Q2 2022

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

Financial results, as adjusted

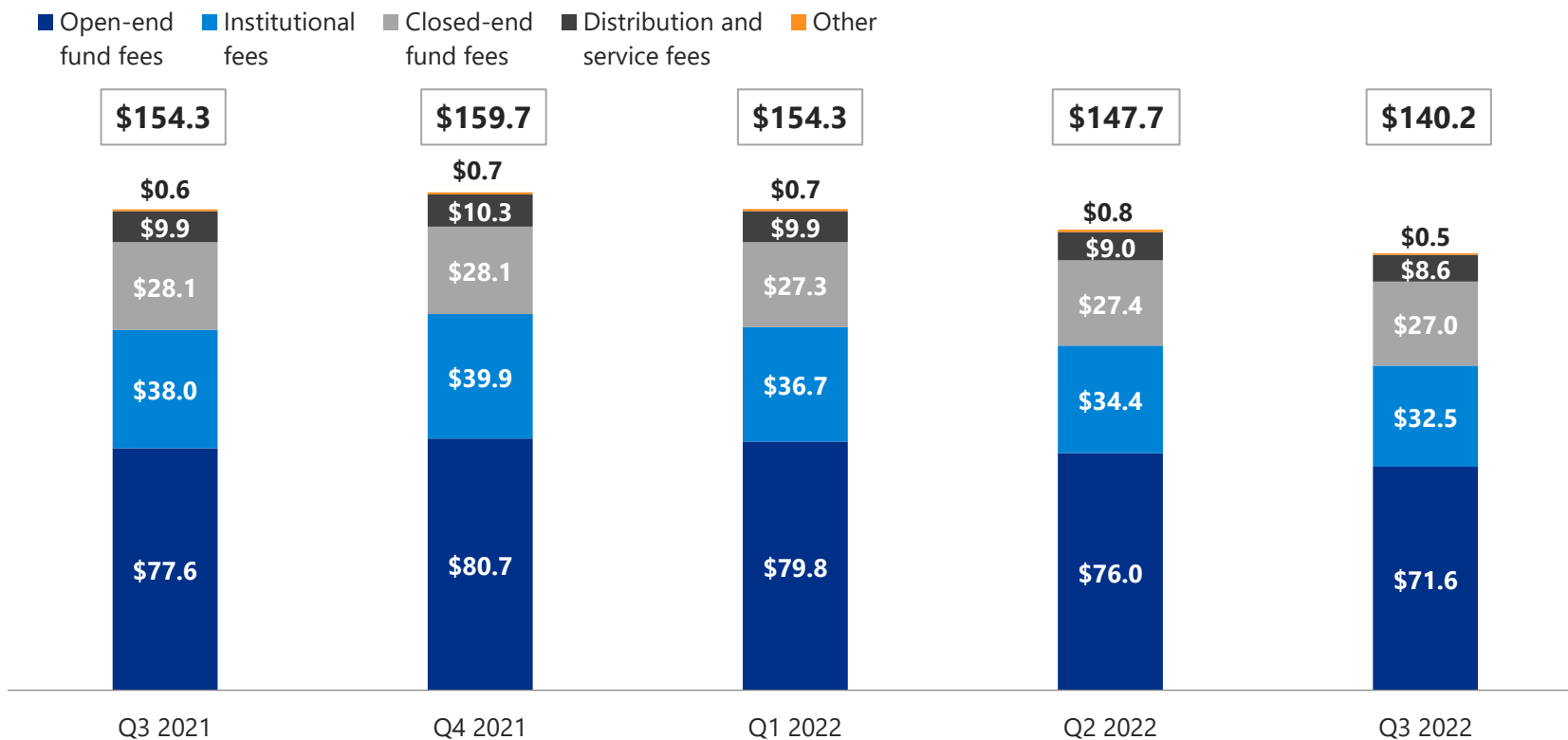
\$ in millions, except earnings per share and percentages



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

Revenue, as adjusted

\$ in millions

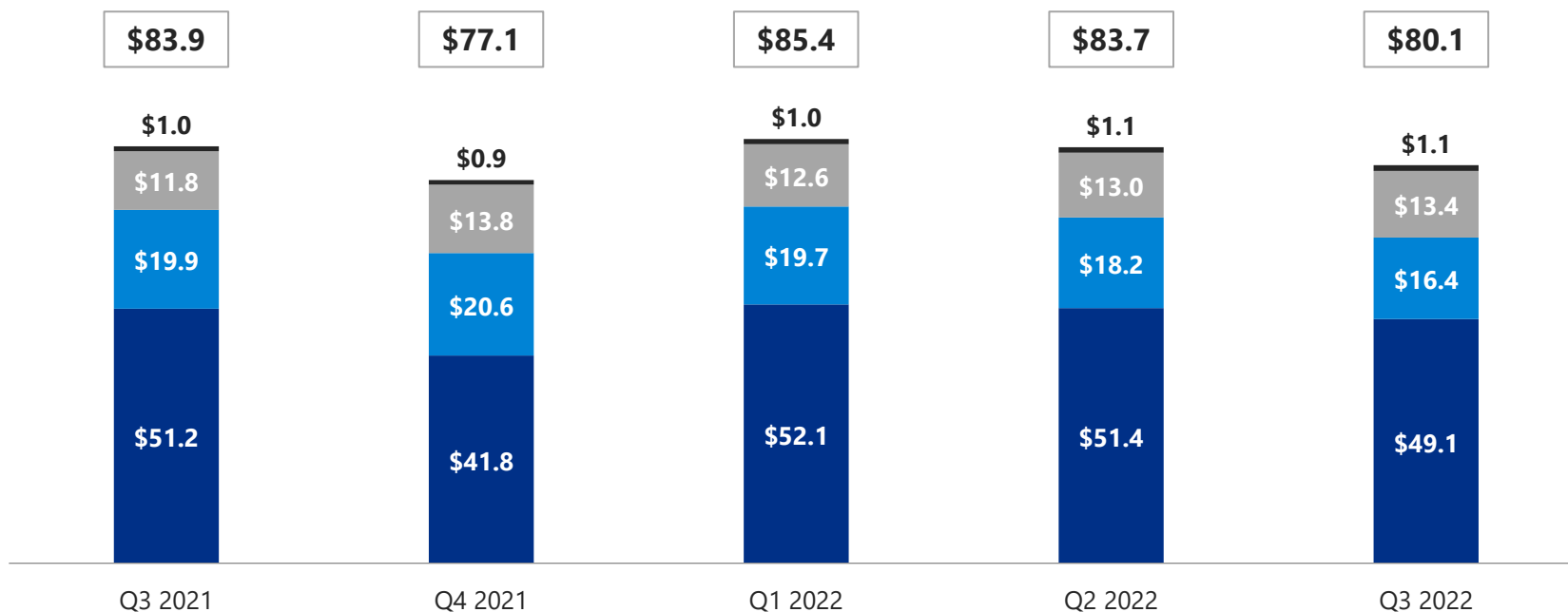


Refer to pages 16-19 of this presentation for reconciliations of U.S. GAAP to as adjusted results. Totals may not foot due to rounding.

Expenses, as adjusted

\$ in millions

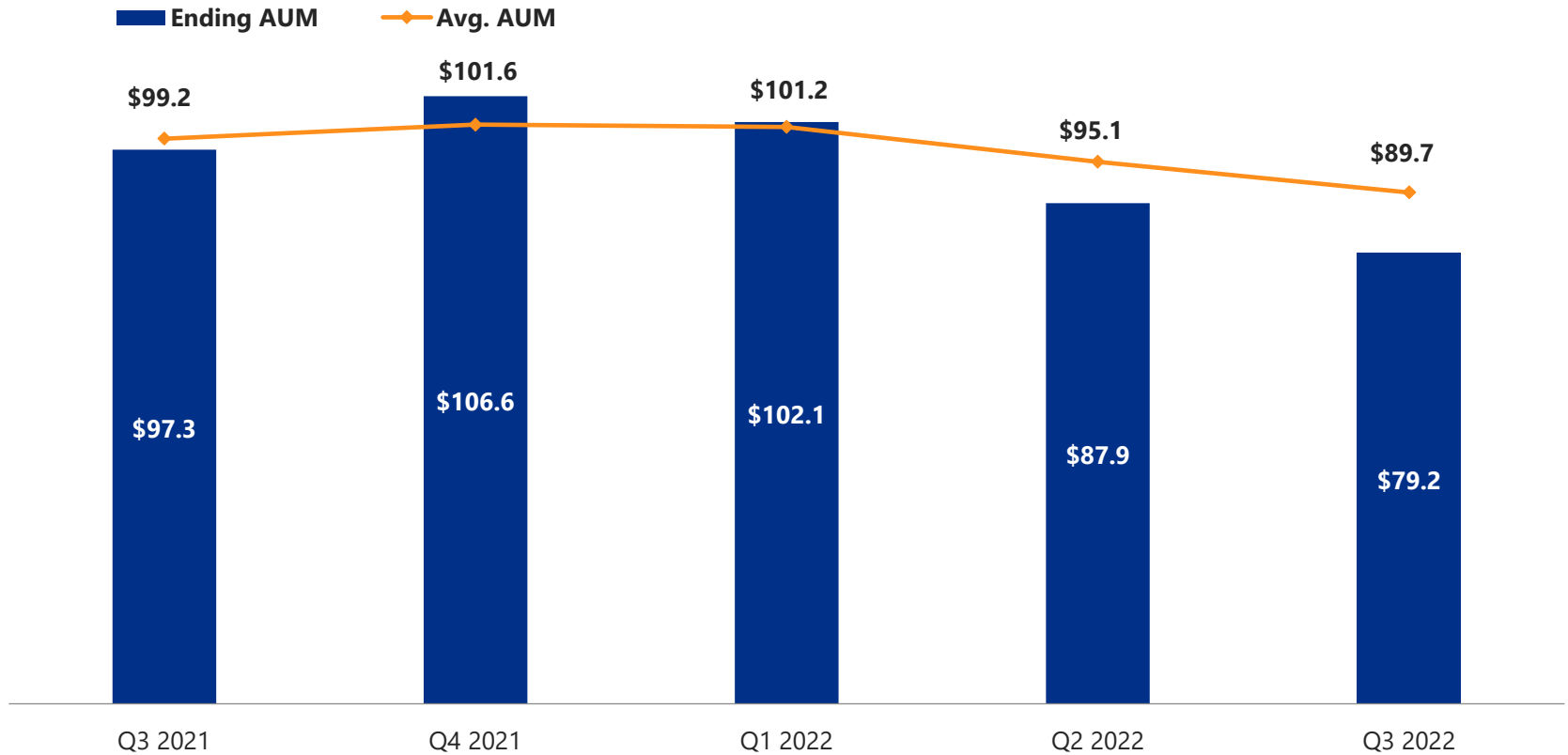
- Employee compensation and benefits
- Distribution and service fees
- General and administrative
- Depreciation and amortization



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

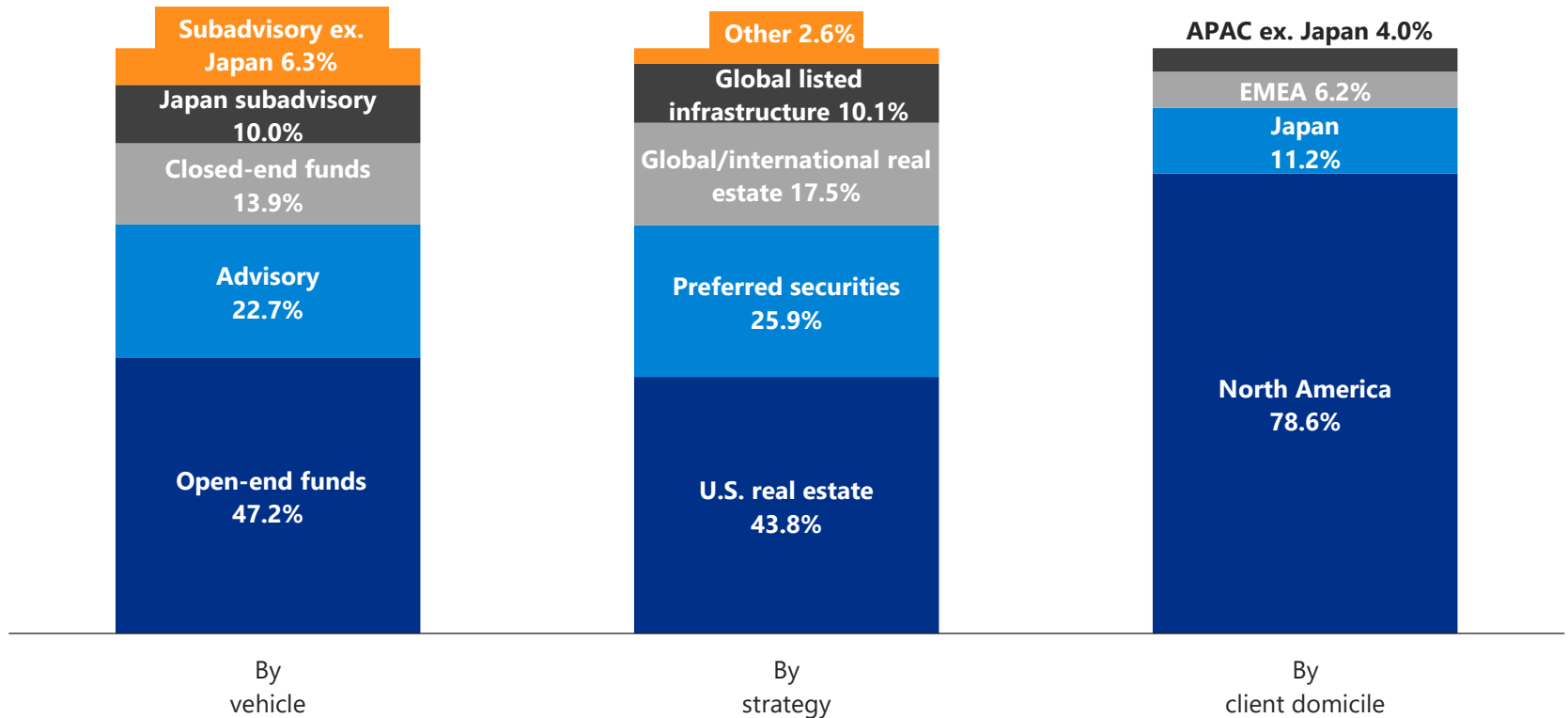
Assets under management

\$ in billions



Assets under management

Across vehicle, strategy, and client domicile

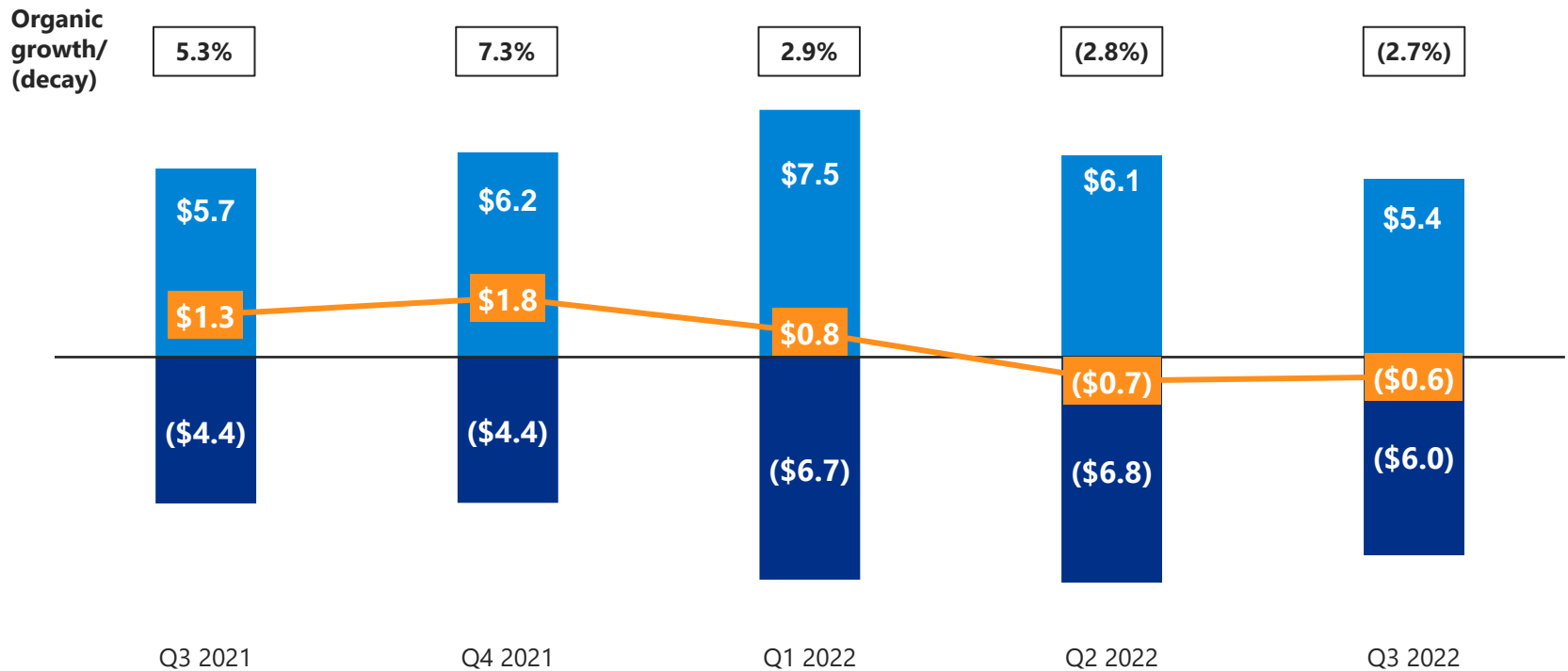


As of September 30, 2022.
Totals may not foot due to rounding.

Total firm net flows

\$ in billions

Inflows Outflows Net flows



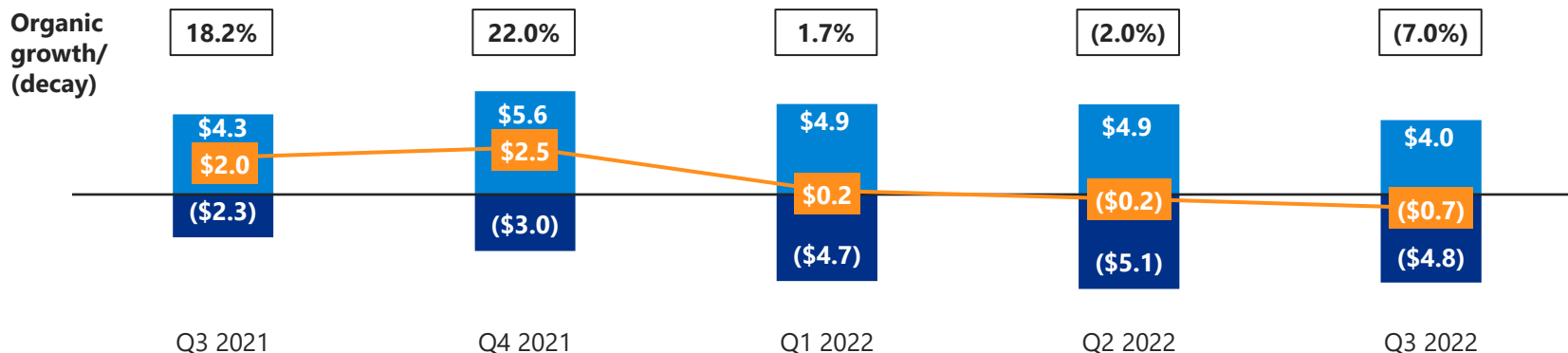
Totals may not foot due to rounding.

Net flows by investment vehicle

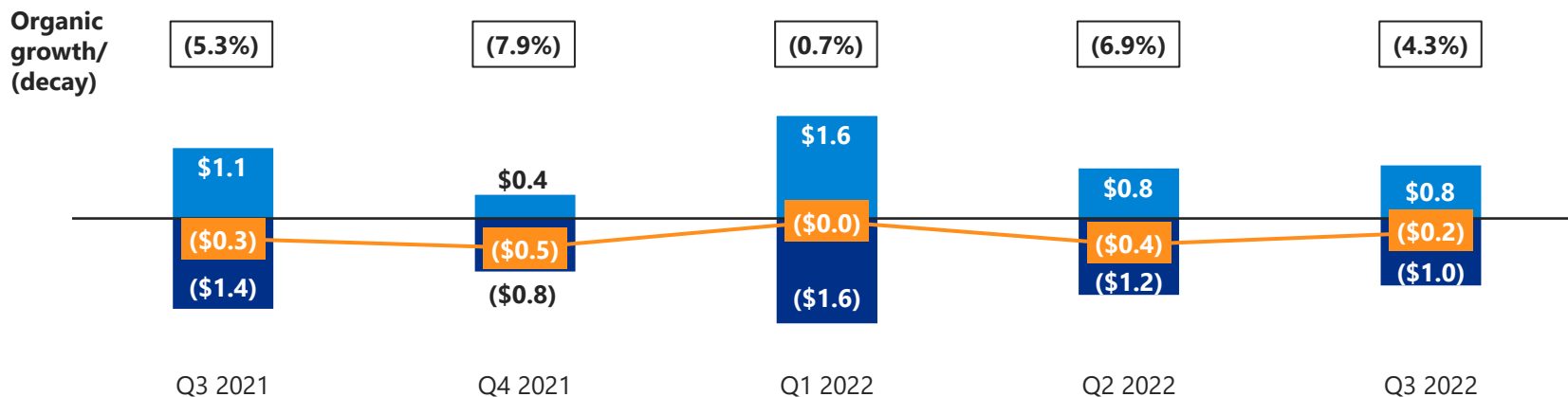
\$ in billions

Inflows Outflows Net flows

Open-end funds



Advisory



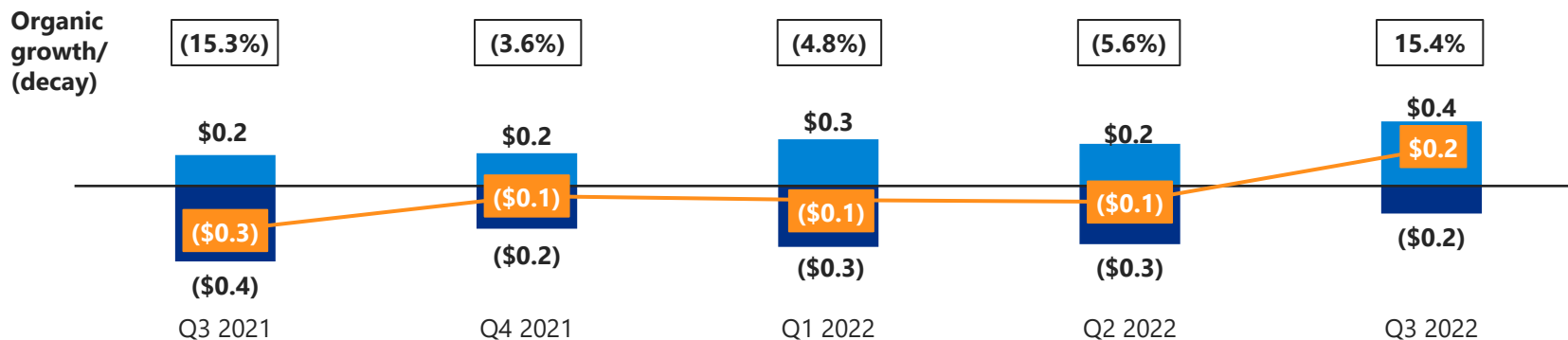
Totals may not foot due to rounding.

Net flows by investment vehicle

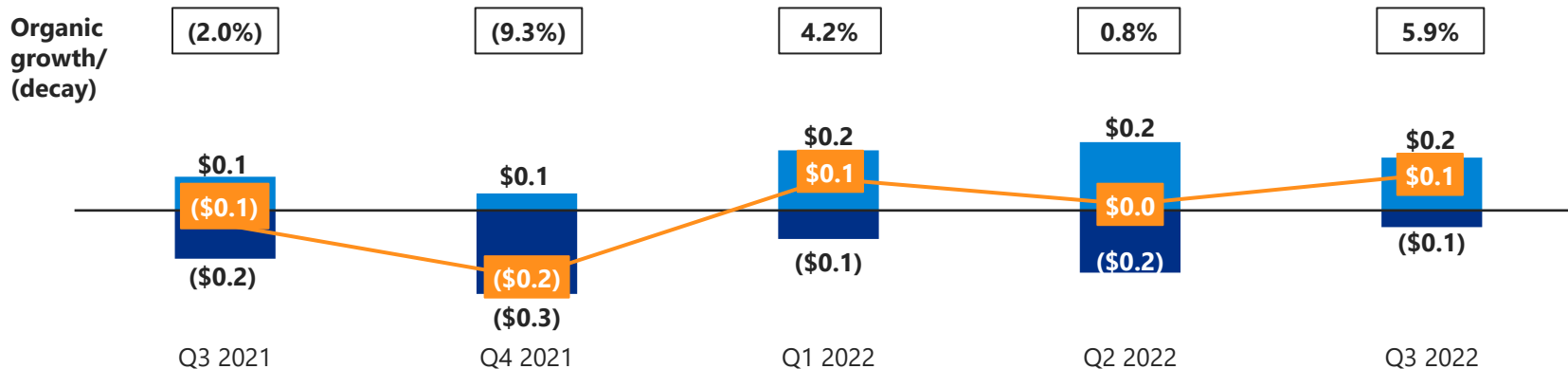
\$ in billions

Inflows Outflows Net flows

Subadvisory ex. Japan



Japan subadvisory



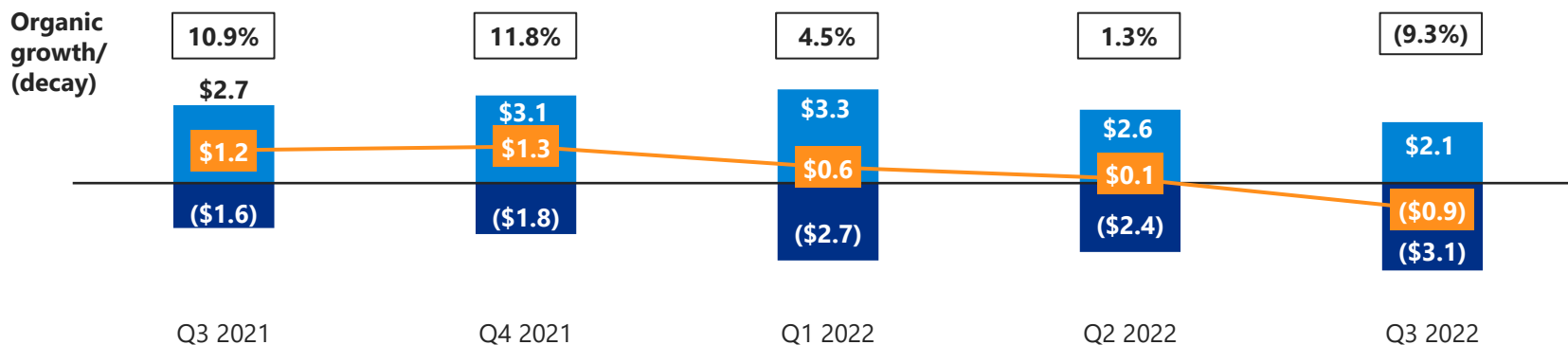
Totals may not foot due to rounding.

Net flows by investment strategy

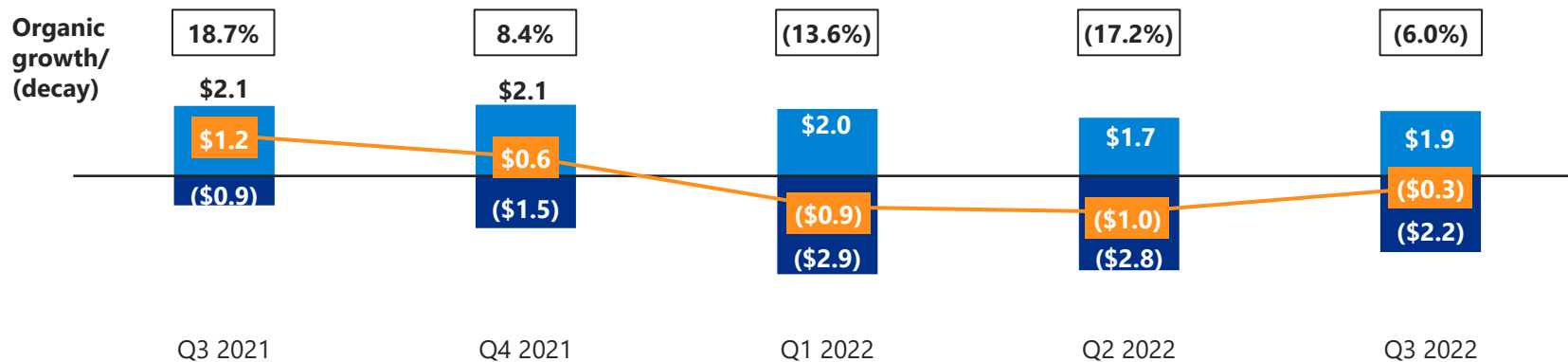
\$ in billions

Inflows Outflows Net flows

U.S. real estate



Preferred securities



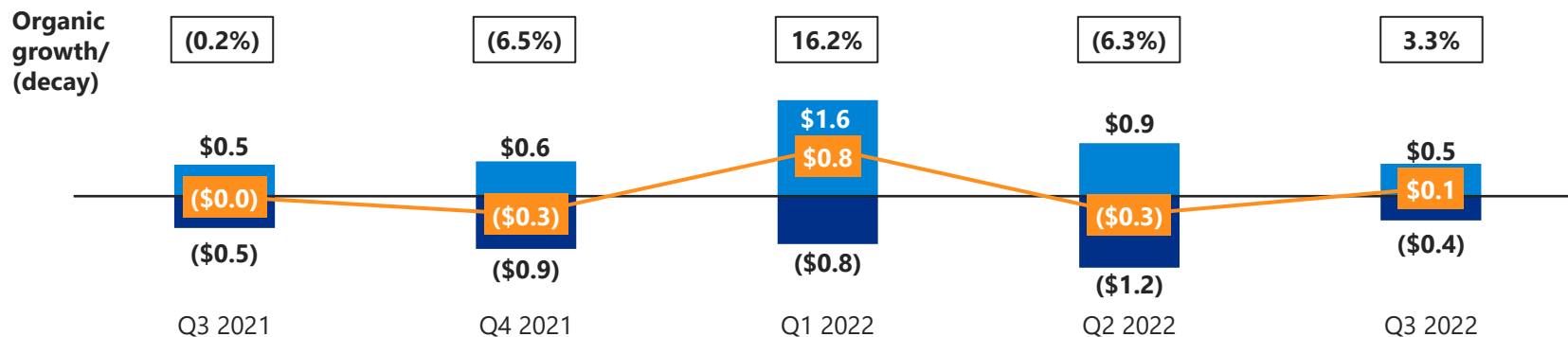
Totals may not foot due to rounding.

Net flows by investment strategy

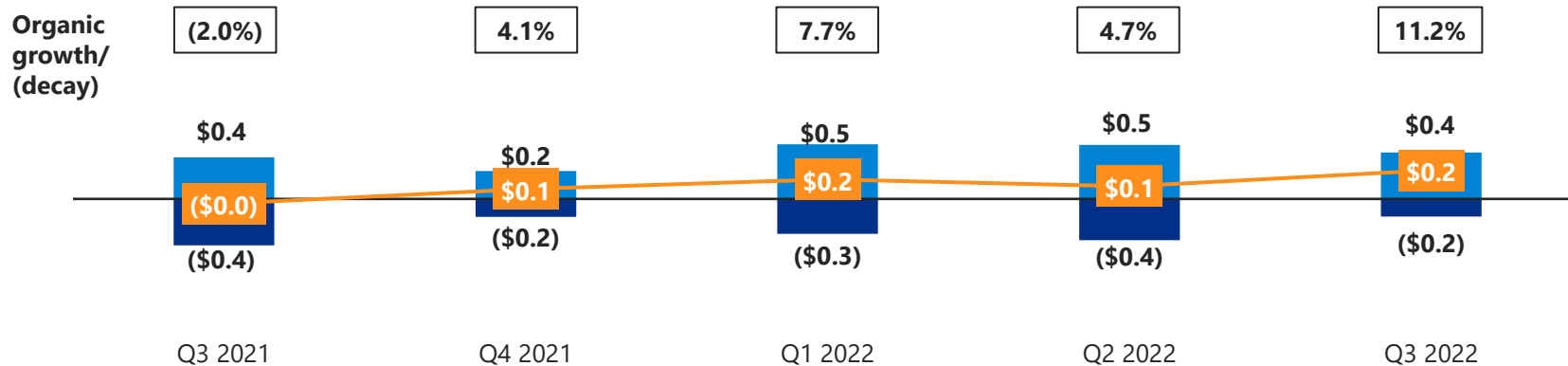
\$ in billions

Inflows Outflows Net flows

Global/international real estate



Global listed infrastructure

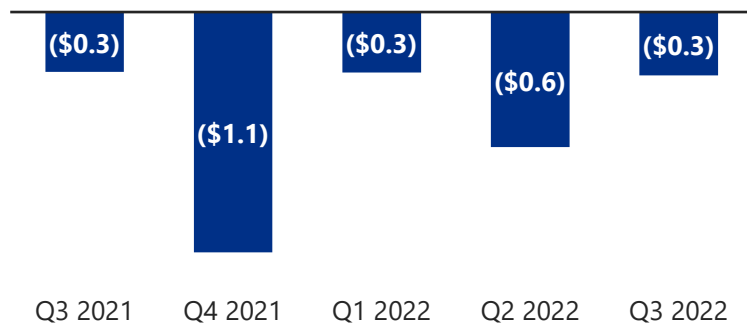


Totals may not foot due to rounding.

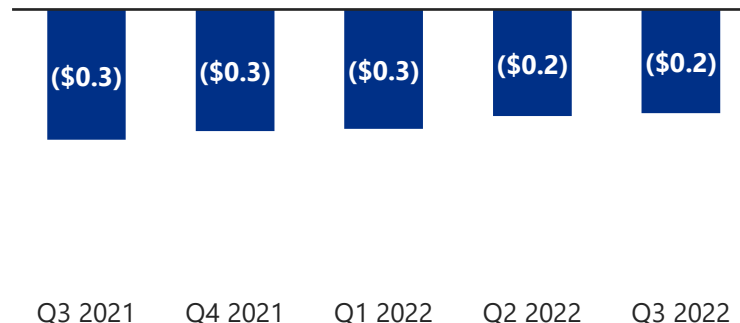
Distributions by investment vehicle

\$ in billions

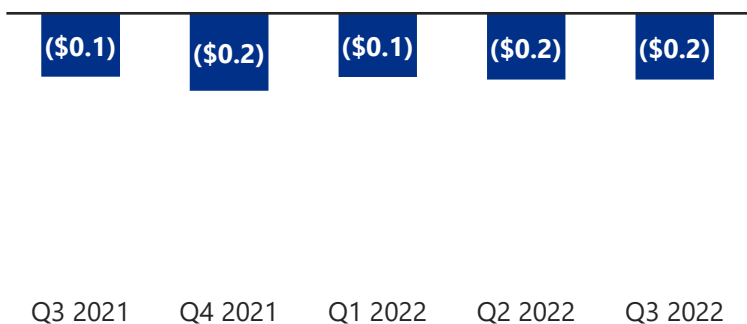
Open-end funds



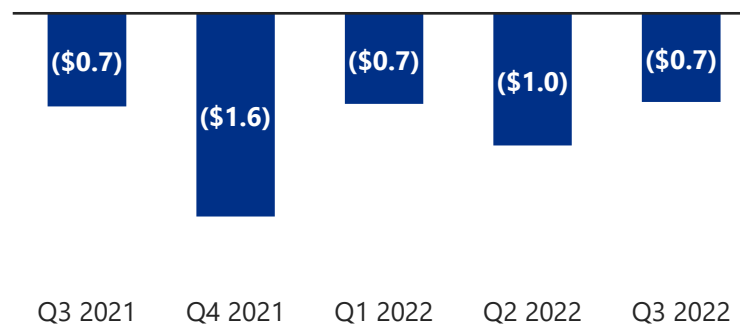
Japan subadvisory



Closed-end funds



Total



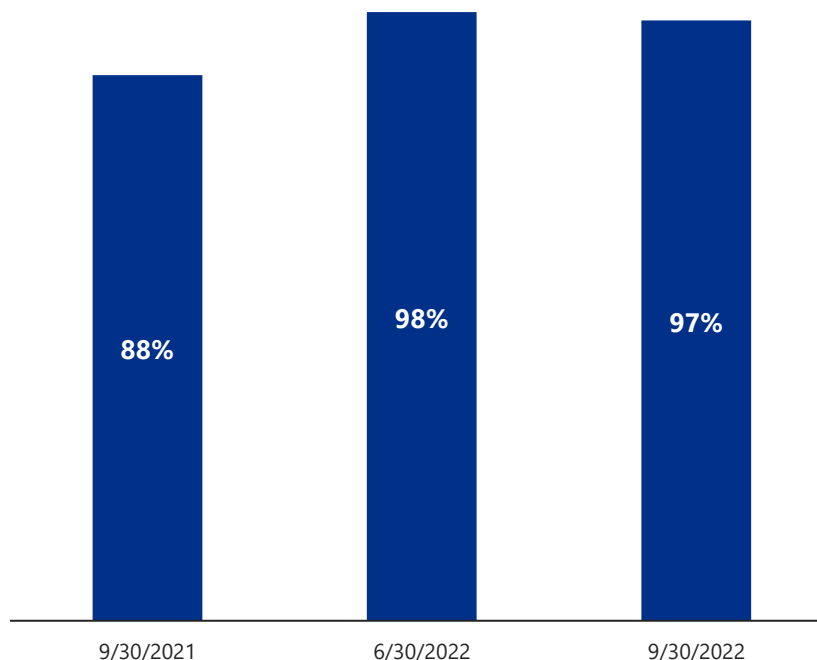
Totals may not foot due to rounding.

Investment performance

% of total AUM in outperforming strategies⁽¹⁾



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

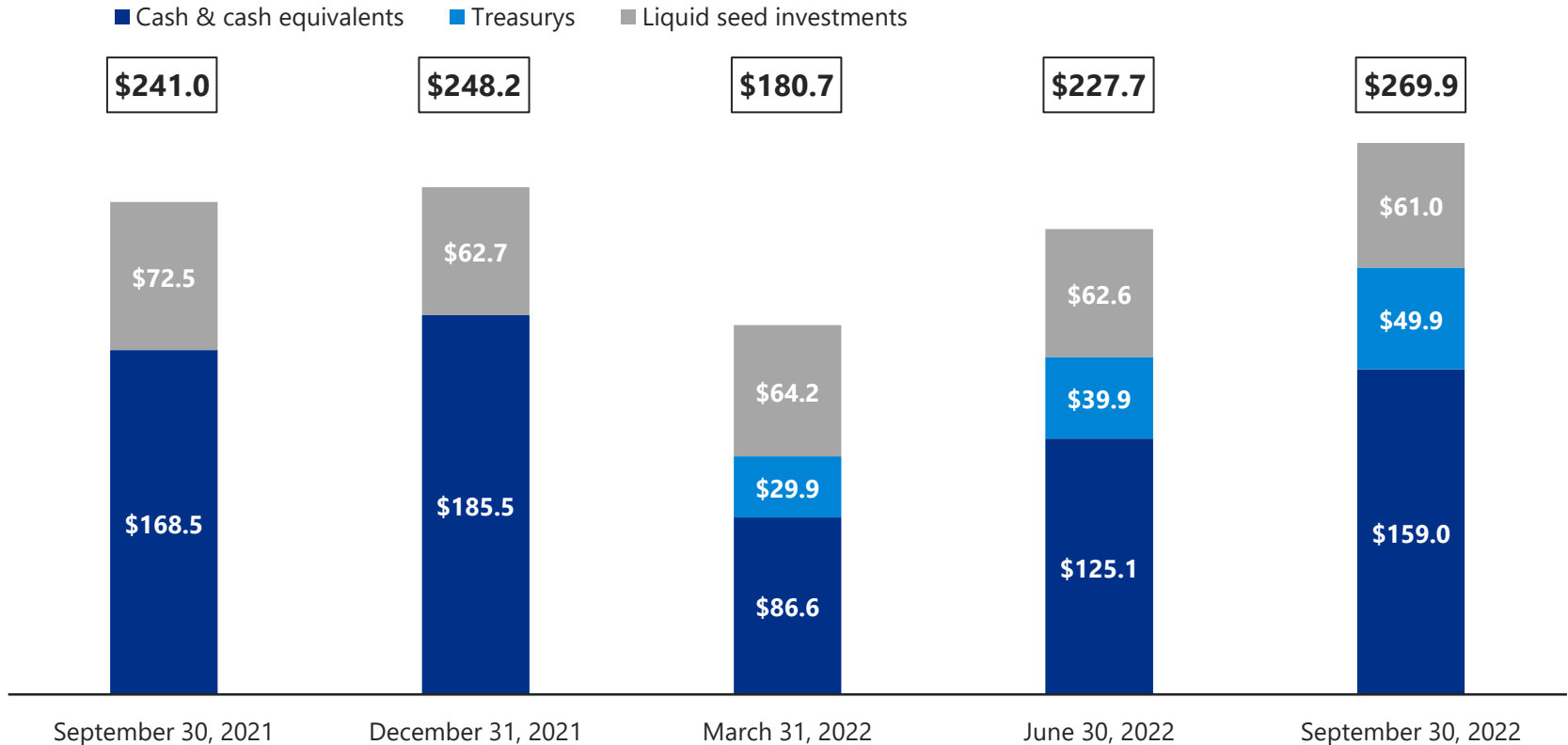


(1) Past performance is no guarantee of future results. Outperformance is determined by comparing the annualized investment performance of each investment strategy to the performance of specified reference benchmarks. Investment performance in excess of the performance of the benchmark is considered 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 September 30, 2022. 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, liquid seed investments and U.S. Treasurys

\$ in millions



Totals may not foot due to rounding.

Reconciliation of U.S. GAAP to as adjusted results

Net income (loss) attributable to common stockholders and diluted earnings per share

\$ in thousands, except per share data

	Three Months Ended				
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Net income (loss) attributable to common stockholders, U.S. GAAP	\$51,483	\$64,482	\$42,018	\$51,956	\$44,570
Seed investments ⁽¹⁾	(168)	(1,438)	1,051	2,170	1,635
Accelerated vesting of restricted stock units	1,888	1,557	2,305	2,490	2,556
Initial public offering costs ⁽²⁾	—	—	15,239	—	—
Foreign currency exchange (gains) losses – net ⁽³⁾	(908)	62	(1,212)	(3,542)	(3,931)
Tax adjustments ⁽⁴⁾	(158)	(3,399)	(8,249)	(5,872)	337
Net income attributable to common stockholders, as adjusted	\$52,137	\$61,264	\$51,152	\$47,202	\$45,167
Diluted weighted average shares outstanding	49,262	49,429	49,337	49,208	49,317
Diluted earnings per share, U.S. GAAP	\$1.05	\$1.30	\$0.85	\$1.06	\$0.90
Seed investments	—*	(0.03)	0.02	0.04	0.04
Accelerated vesting of restricted stock units	0.04	0.04	0.05	0.05	0.05
Initial public offering costs	—	—	0.31	—	—
Foreign currency exchange (gains) losses – net	(0.02)	—*	(0.02)	(0.07)	(0.08)
Tax adjustments	(0.01)	(0.07)	(0.17)	(0.12)	0.01
Diluted earnings per share, as adjusted	\$1.06	\$1.24	\$1.04	\$0.96	\$0.92

* 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.

(2) 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	\$—	\$—

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

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

Exclusion of tax effects associated with items noted above	(\$815)	(\$952)	(\$4,281)	\$15	\$301
Exclusion of discrete tax items	657	(2,447)	(3,968)	(5,887)	36
Total tax adjustments	(\$158)	(\$3,399)	(\$8,249)	(\$5,872)	\$337

Reconciliation of U.S. GAAP to as adjusted results

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

\$ in thousands, except percentages

	Three Months Ended				
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Revenue, U.S. GAAP	\$154,187	\$159,629	\$154,189	\$147,431	\$139,951
Seed investments ⁽¹⁾	104	108	123	292	215
Revenue, as adjusted	\$154,291	\$159,737	\$154,312	\$147,723	\$140,166
Expenses, U.S. GAAP	\$85,956	\$79,123	\$103,198	\$86,437	\$82,770
Seed investments ⁽¹⁾	(143)	(446)	(276)	(218)	(104)
Accelerated vesting of restricted stock units	(1,888)	(1,557)	(2,305)	(2,490)	(2,556)
Initial public offering costs ⁽²⁾	—	—	(15,239)	—	—
Expenses, as adjusted	\$83,925	\$77,120	\$85,378	\$83,729	\$80,110
Operating income (loss), U.S. GAAP	\$68,231	\$80,506	\$50,991	\$60,994	\$57,181
Seed investments ⁽¹⁾	247	554	399	510	319
Accelerated vesting of restricted stock units	1,888	1,557	2,305	2,490	2,556
Initial public offering costs ⁽²⁾	—	—	15,239	—	—
Operating income, as adjusted	\$70,366	\$82,617	\$68,934	\$63,994	\$60,056
Operating margin, U.S. GAAP	44.3%	50.4%	33.1%	41.4%	40.9%
Operating margin, as adjusted	45.6%	51.7%	44.7%	43.3%	42.8%

(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. 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 results

Non-operating income (loss)

\$ in thousands

	Three Months Ended				
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Non-operating income (loss), U.S. GAAP	\$1,246	\$6,837	\$5,110	(\$25,002)	(\$1,974)
Seed investments ⁽¹⁾	(319)	(7,441)	(4,171)	27,467	6,272
Foreign currency exchange (gain) loss-net ⁽²⁾	(908)	62	(1,212)	(3,542)	(3,931)
Non-operating income (loss), as adjusted	\$19	(\$542)	(\$273)	(\$1,077)	\$367

(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.

(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 Initial public offering costs ⁽²⁾	
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
Q4 2021					
Investment advisory and administration fees	\$148,637	\$108	\$-	\$-	\$148,745
Employee compensation and benefits	\$43,348	\$-	(\$1,557)	\$-	\$41,791
General and administrative	\$14,213	(\$446)	\$-	\$-	\$13,767
Q3 2021					
Investment advisory and administration fees	\$143,638	\$104	\$-	\$-	\$143,742
Employee compensation and benefits	\$53,092	\$-	(\$1,888)	\$-	\$51,204
General and administrative	\$11,981	(\$143)	\$-	\$-	\$11,838
FY 2021					
Investment advisory and administration fees	\$543,544	\$411	\$-	\$-	\$543,955
Employee compensation and benefits	\$195,443	\$-	(\$7,197)	\$-	\$188,246
General and administrative	\$48,034	(\$819)	\$-	\$-	\$47,215

(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 in the first quarter of 2022.

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, 2021 (the Form 10-K), which is accessible on the Securities and Exchange Commission's website at www.sec.gov and on the company's website at www.cohenandsteers.com. These factors are not exhaustive and should be read in conjunction with the other cautionary statements that are included in the company's Form 10-K and other filings with the Securities and Exchange Commission. The company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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

Investment Performance:

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