

# Record Financial Group

## FY25 results presentation

20 June 2025



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# Agenda



## Highlights

Strategic Update

Financial Performance

Summary & Outlook

Appendix



# Highlights

AUM

**\$100.9bn**



**1%**

vs 31/3/24

Revenue

**£41.6m**



**8%**

vs FY24

Operating Costs

**£30.8m**



**6%**

vs FY24

EPS

**5.03p**



**4%**

vs FY24

Ordinary dividend per share

**4.65p**

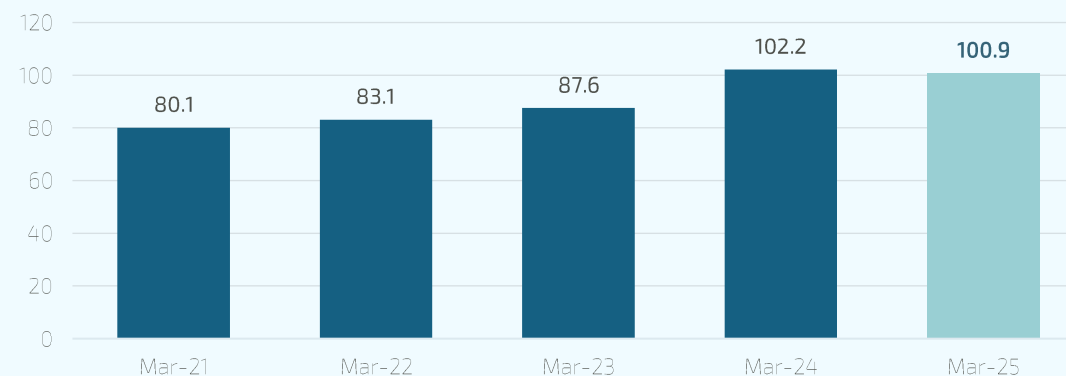


**1%**

vs FY24

- Maintained AUM above \$100 billion with strong inflows and new business wins offsetting the impact of isolated outflows
- Management fees down 4%, total revenue down 8%
- Disciplined cost management to bring operating costs down while funding key investments
- Increased EPS
- Increased ordinary dividend
- Balance sheet remains strong with Net Assets of £29.1m

**AUM | (\$bn)**



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# Strategic and Operational Progress

- Completed transition to new CEO and CFO and appointment of new CIO
- Restructured tech function and commenced program of tech investment aligned to operational priorities
- Opened new Head Office in London



- Finalised product structure. Business now operating as 3 product pillars:

Risk Management

Absolute Return

Private Markets

- Launch of Infrastructure Equity fund with €1.1bn of commitments. First deployment of capital expected soon.
- Strong pipeline of Private Markets opportunities:
  - Expect to launch the world's first Sharia-compliant Deep Tier Supply Chain Finance fund with a target of \$1bn
  - Non-binding terms signed on \$2.2bn funding for Kola Potash project

# Risk Management

- Our Risk Management solutions are designed to help clients navigate the complexities of foreign exchange fluctuations.
- Solutions tailored to clients needs, ensuring currency risk is managed effectively across various individual investment strategies, reducing volatility, preserving returns and improving overall risk-adjusted performance.

## Passive Hedging

Cost effective reduction of currency risk achieved through symmetrical and unbiased elimination of currency exposure.

AUM  
**\$65.1bn**

▼ 1%  
vs FY24

Management Fees  
**£11.5m**

▲ 18%  
vs FY24

## Dynamic Hedging

Allows clients to benefit from FX strength, while protecting against weakness. Systemic adjustment of hedge ratios produces an asymmetric return – capturing gains when currency is strong; limiting losses when it is weak.

AUM  
**\$16.0bn**

▼ 3%  
vs FY24

Management Fees  
**£13.7m**

— 0%  
vs FY24

## Hedging for Asset Managers

Bespoke solutions tailored to individual asset manager strategies and underlying investment structures with focus on liquidity management, efficient implementation and granular reporting.

AUM  
**\$14.3bn**

▲ 37%  
vs FY24

Management Fees  
**£3.5m**

▲ 24%  
vs FY24

# Absolute Return

- Our Absolute Return products employ strategies that aim for uncorrelated returns and strategic downside protection.
- Collectively, these products provide clients with attractive returns while maintaining low correlation with traditional asset classes.

## FX Alpha

Systematic Multi-Strategy offering combining multiple return drivers into a single balanced portfolio targeting consistent return in a variety of market conditions.

AUM  
**\$3.0bn**

▼ 33%  
vs FY24

Management Fees  
**£1.6m**

▲ 30%  
vs FY24

## Custom Opportunities

A range of bespoke strategies including interest rate swaps, protected equities and tailored mandates that incorporate both risk-reducing and return-seeking objectives tailored to individual client requirements.

AUM  
**\$1.4bn**

▼ 62%  
vs FY24

Management Fees  
**£1.9m**

▼ 70%  
vs FY24





# Private Markets

- Our Private Market offerings provide clients with access to high-quality, long-term investment opportunities.
- These strategies offer diversification and potential for attractive risk adjusted returns in the private market sector.
- Our pipeline of Private Markets will also extend to private credit, offering a comprehensive range of investment opportunities.

## EM Local Debt

The Record EM Sustainable Finance Fund ("EMSF") is a sustainability-led fund offering investors higher yield, carry and return opportunities relative to traditional EM Debt products.

The strategy seeks to have a positive impact by mobilising private capital for the development of Emerging Market and Developing Economies.

## Infrastructure

The Record Infrastructure Equity Fund offers investors access to stable, inflation-adjusted returns, while providing diversification across sectors such as renewable energy, data infrastructure, transport, and network utilities.

The fund intends to build a portfolio of non-listed minority equity stakes of infrastructure assets worldwide, with emphasis on brownfield assets.

## Private Credit / Private Equity

Plans announced to launch the world's first Sharia-compliant Deep Tier Supply Chain Finance fund with a target of \$1bn.

Non-binding terms signed on \$2.2bn funding for Kola Potash project.

AUM

**\$1.0bn**

— 0%  
vs FY24

AUM (Commitments)

**\$1.2bn**

Management Fees

**£5.0m**

▲ 4%  
vs FY24

# Focus on our strategic objectives

## Organic Growth



- Hedging for Asset Managers AUM +37%; management fee income +24%.
- €1.1 billion commitments to Record Infrastructure Equity Fund to be deployed over three years.
- Existing Risk Management clients cross-investing into broader product offerings.
- Pipeline of Private Markets opportunities.

## Improve Quality of earnings



- Stable and loyal client base in core Risk Management products.
- Enhanced Passive Hedging generates consistent performance fees.
- Private Markets opportunities will lock in long-term management fees.
- Infrastructure Equity Fund investments to be locked in for at least 15 years.

## Operational Excellence



- Reputation for exceptional client service.
- New Tech leadership aligned to operational priorities.
- New Group CIO further strengthens leadership team.

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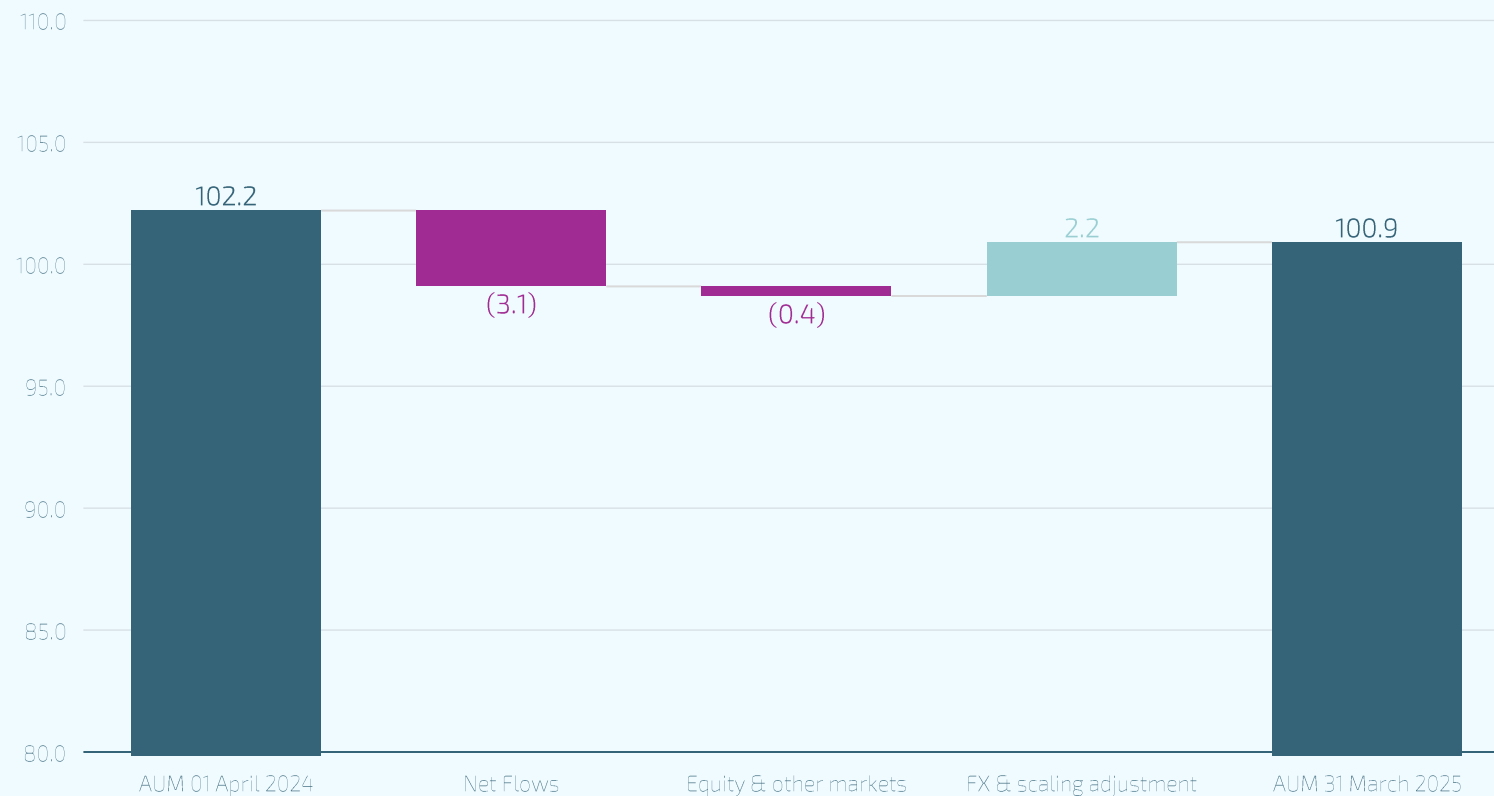
# Financials

£m	FY25	FY24	Change
<b>Revenue</b>	<b>41.6</b>	45.4	(8%)
Cost of Sales	<b>(0.5)</b>	(0.1)	476%
<b>Gross Profit</b>	<b>41.1</b>	45.3	(9%)
Operating costs	<b>(30.8)</b>	(32.7)	(6%)
Other income	<b>0.4</b>	-	nm
<b>Operating profit</b>	<b>10.7</b>	12.6	(15%)
Net finance income	<b>0.2</b>	0.3	(9%)
<b>Profit before tax</b>	<b>10.9</b>	12.9	(15%)
Tax	<b>(1.8)</b>	(3.6)	(50%)
<b>Profit after tax</b>	<b>9.1</b>	9.3	(2%)
Profit for the year attributable to:			
Equity holders of the parent	<b>9.7</b>	9.3	5%
NCI	<b>(0.6)</b>	-	nm
<b>EPS</b>	<b>5.03p</b>	4.84p	4%

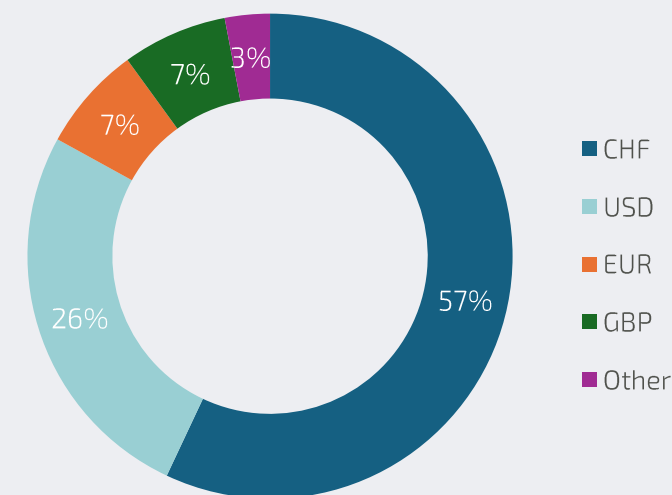
- Total revenue down 8% due to impact of lower performance fees
- Operating costs down 6%. Excluding impact of prior year IT write off, operating costs flat
- Operating margin down from 27.8% to 25.6%
- Lower tax rate due to tax credit in German subsidiaries
- Increased EPS

# Assets Under Management

AUM bridge for the year ended 31 March 2025 | (\$bn)



AUM by Currency



# Summary of revenue by product

£m	FY25	FY24	Change
<b>Management fees</b>			
Passive Hedging	<b>11.5</b>	9.7	18%
Dynamic Hedging	<b>13.7</b>	13.7	0%
Hedging for Asset Managers	<b>3.5</b>	2.9	24%
<b>Risk Management</b>	<b>28.7</b>	26.3	9%
FX Alpha	<b>1.6</b>	1.3	30%
Custom Opportunities	<b>1.9</b>	6.3	(70%)
<b>Absolute Return</b>	<b>3.5</b>	7.6	(53%)
EM Local Debt	<b>5.0</b>	4.8	4%
<b>Private Markets</b>	<b>5.0</b>	4.8	4%
<b>Total Management Fees</b>	<b>37.2</b>	38.7	(4%)
<b>Performance fees</b>			
Risk Management	<b>3.2</b>	2.9	10%
Absolute Return	-	2.9	nm
<b>Total Performance Fees</b>	<b>3.2</b>	5.8	(46%)

- Higher management fees from all products except Custom Opportunities
- Discontinuation of Custom Opportunities mandates reduced management fees, down 4% overall
- Performance fees down £2.6m overall; higher performance fees on core Enhanced Passive
- Other Services income increased from fund distribution fees



# Operating costs

£m	FY25	FY24	Change
Staff costs	<b>15.9</b>	16.7	(5%)
Technology	<b>4.2</b>	6.5	(35%)
Professional fees	<b>3.1</b>	2.4	32%
Occupancy	<b>1.3</b>	1.0	36%
Depreciation and amortisation	<b>0.8</b>	0.7	5%
Travel and marketing	<b>0.8</b>	1.0	(8%)
<b>Operating costs (excl. Bonus)</b>	<b>26.2</b>	28.3	(7%)
Bonus	<b>4.6</b>	4.4	4%
<b>Operating costs</b>	<b>30.8</b>	32.7	(6%)
<b>Headcount (average)</b>	<b>99</b>	96	3%

- Underlying operating costs managed to flat year on year while targeting key investments
- Staff costs and Technology costs down year on year following restructure of tech infrastructure and development teams to reduce costs and better align tech priorities
- Higher professional fees in Record Asset Management for setup of new fund launches
- Occupancy costs increased due to temporary double-running of office space. Ongoing Occupancy costs will be lower

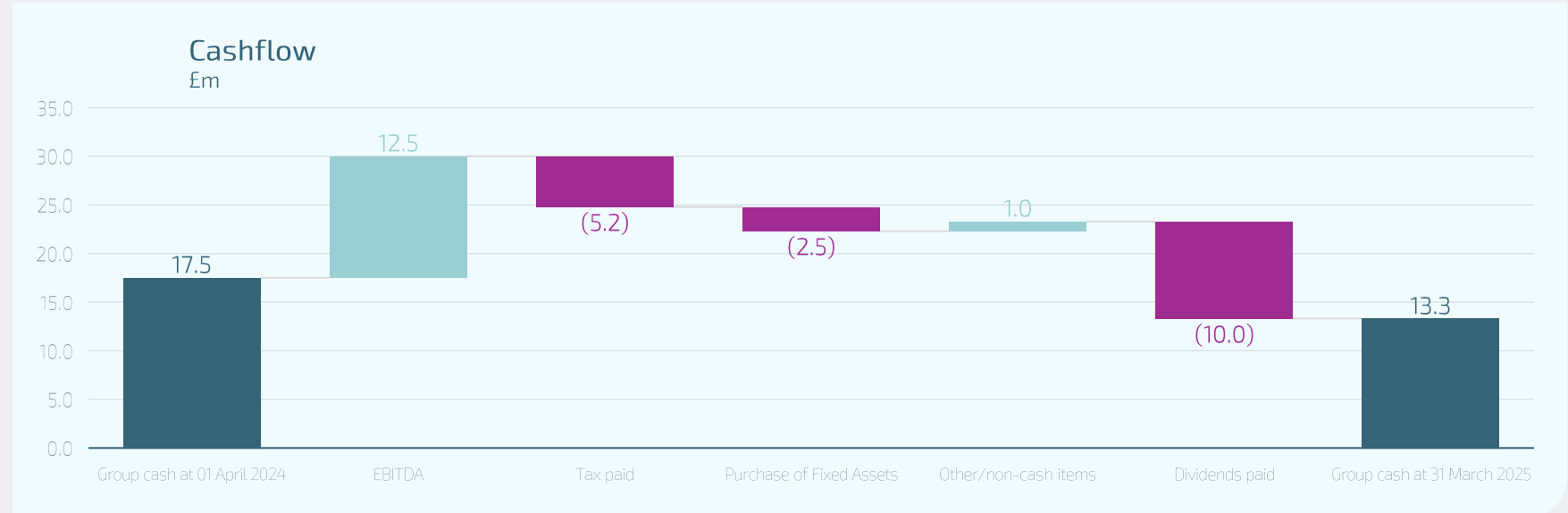
# Balance Sheet and Capital

## Balance Sheet

- Highly cash generative, capital light business
- Capital and liquidity sufficient to meet regulatory requirements

## Dividends

- Strong balance sheet allows attractive dividend
- Full year ordinary dividend of 4.65p (92% of EPS) up 1% on prior year



£m	FY23	FY24	FY25
Cash & MM deposits	14.5	17.5	13.3
Trade and other receivables	14.4	13.0	13.3
Net assets	28.3	29.0	29.1
Regulatory capital	7.1	8.3	8.6
Regulatory capital surplus	21.2	20.7	20.5

# Outlook

- Deployment of new funds in Private Markets will drive growth in revenue and EPS over the medium term
- Current year outlook highly dependent on the closing of large complex deals currently in the pipeline but we anticipate FY26 revenue growing low single digits and EPS flat
- We remain committed to paying a healthy ordinary dividend while always maintaining our balance sheet strength





# Summary

- Our proposition remains unchanged: to deliver best in class solutions for large institutional investors
- We are delivering on our strategic objectives
- Progressing large opportunities in Private Markets
- Well positioned to grow revenue and EPS over the medium term

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# Management fees by product reconciliation

	OLD PRESENTATION			NEW PRESENTATION			
	Currency Management	Asset Management	Total	Risk Management	Absolute Return	Private Markets	Total
<b>FY25</b>							
Passive Hedging	11.5	–	11.5	11.5	–	–	11.5
Hedging for Asset Managers	3.5	–	3.5	3.5	–	–	3.5
Dynamic Hedging	13.7	–	13.7	13.7	–	–	13.7
FX Alpha	1.6	–	1.6	–	1.6	–	1.6
EM Local Debt	–	5.0	5.0	–	–	5.0	5.0
Custom Opportunities	–	1.9	1.9	–	1.9	–	1.9
<b>Management fees</b>	<b>30.3</b>	<b>6.9</b>	<b>37.2</b>	<b>28.7</b>	<b>3.5</b>	<b>5.0</b>	<b>37.2</b>
<b>FY24</b>							
Passive Hedging	9.7	–	9.7	9.7	–	–	9.7
Hedging for Asset Managers	2.9	–	2.9	2.9	–	–	2.9
Dynamic Hedging	13.7	–	13.7	13.7	–	–	13.7
FX Alpha	1.3	–	1.3	–	1.3	–	1.3
EM Local Debt	–	4.8	4.8	–	–	4.8	4.8
Custom Opportunities	–	6.3	6.3	–	6.3	–	6.3
<b>Management fees</b>	<b>27.6</b>	<b>11.1</b>	<b>38.7</b>	<b>26.3</b>	<b>7.6</b>	<b>4.8</b>	<b>38.7</b>



# AUM by product reconciliation

	OLD PRESENTATION			NEW PRESENTATION			
	Currency Management	Asset Management	Total	Risk Management	Absolute Return	Private Markets	Total
<b>FY25</b>							
Passive Hedging	65.1	–	<b>65.1</b>	65.1	–	–	<b>65.1</b>
Hedging for Asset Managers	14.3	–	<b>14.3</b>	14.3	–	–	<b>14.3</b>
Dynamic Hedging	16.0	–	<b>16.0</b>	16.0	–	–	<b>16.0</b>
FX Alpha	3.0	–	<b>3.0</b>	–	3.0	–	<b>3.0</b>
EM Local Debt	–	1.0	<b>1.0</b>	–	–	1.0	<b>1.0</b>
Custom Opportunities	–	1.4	<b>1.4</b>	–	1.4	–	<b>1.4</b>
Cash	0.1	–	<b>0.1</b>	0.1	–	–	<b>0.1</b>
<b>AUM</b>	<b>98.5</b>	<b>2.4</b>	<b>100.9</b>	<b>95.5</b>	<b>4.4</b>	<b>1.0</b>	<b>100.9</b>
<b>FY24</b>							
Passive Hedging	66.0	–	<b>66.0</b>	66.0	–	–	<b>66.0</b>
Hedging for Asset Managers	10.4	–	<b>10.4</b>	10.4	–	–	<b>10.4</b>
Dynamic Hedging	16.5	–	<b>16.5</b>	16.5	–	–	<b>16.5</b>
FX Alpha	4.5	–	<b>4.5</b>	–	4.5	–	<b>4.5</b>
EM Local Debt	–	1.0	<b>1.0</b>	–	–	1.0	<b>1.0</b>
Custom Opportunities	–	3.7	<b>3.7</b>	–	3.7	–	<b>3.7</b>
Cash	0.1	–	<b>0.1</b>	0.1	–	–	<b>0.1</b>
<b>AUM</b>	<b>97.5</b>	<b>4.7</b>	<b>102.2</b>	<b>93.1</b>	<b>8.1</b>	<b>1.0</b>	<b>102.2</b>