



THE QUEEN'S AWARD
FOR ENTERPRISE
SUSTAINABLE DEVELOPMENT
2016

Impax
ASSET MANAGEMENT

Impax Asset Management Group plc

Results for year ended 30 September 2016

Agenda

- Part 1: Introduction to the company
- Part 2: Business update
- Part 3: Financial update



Part 1: Introduction to Impax Asset Management

Impax Asset Management: summary

Acknowledged global leader investing in high growth markets

Business model designed to build shareholder value

Excellent investment and corporate track record

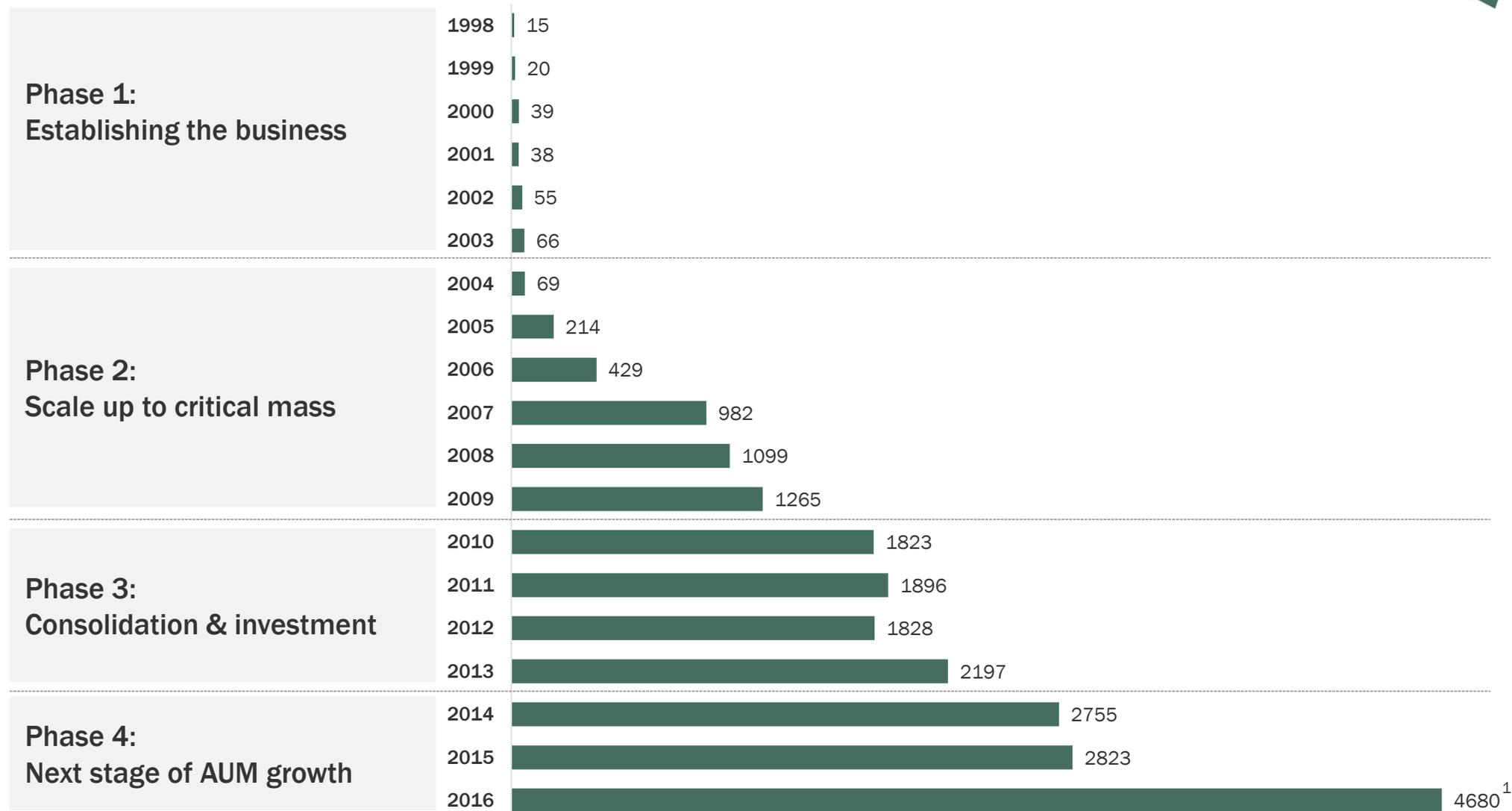
Strong catalysts for 2017 and the longer term



2016 UNPRI assessment:
A rating: Policies, Processes,
Practices, and Governance

Solid track record of growth

AUM at FYE (£m)



¹As at 31 October 2016. £4.5bn as at 30 September 2016.

The rapidly changing landscape for investment managers

MAINSTREAM TRENDS

- Pressure on generalists
- Increasingly complex regulatory environment
- Growing fee pressure on generic products
- Survival of the fittest
- Consolidation to continue

A FORMULA FOR WINNERS

“Specialist” approach

Differentiated strategies

Diversified income

Scalable business model

Institutional scale/quality

IMPAX WELL POSITIONED



Environmental Markets: highly attractive for an active manager

POWERFUL DRIVERS

Increasing population

Rising living standards

Infrastructure deficit

Finite natural resources

Pollution



ENVIRONMENTAL MARKETS RAPIDLY EXPANDING



Energy

- Energy Efficiency
- Alternative Energy



Water

- Water infrastructure/ Technologies
- Pollution Control



Food, Agriculture & Forestry

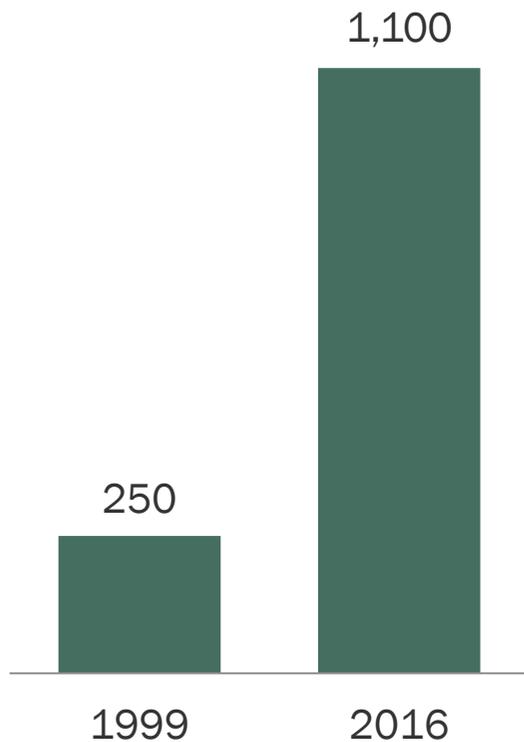


Waste

- Waste Management & Technologies
- Environmental Support Services

Rapidly expanding universe of under-researched stocks

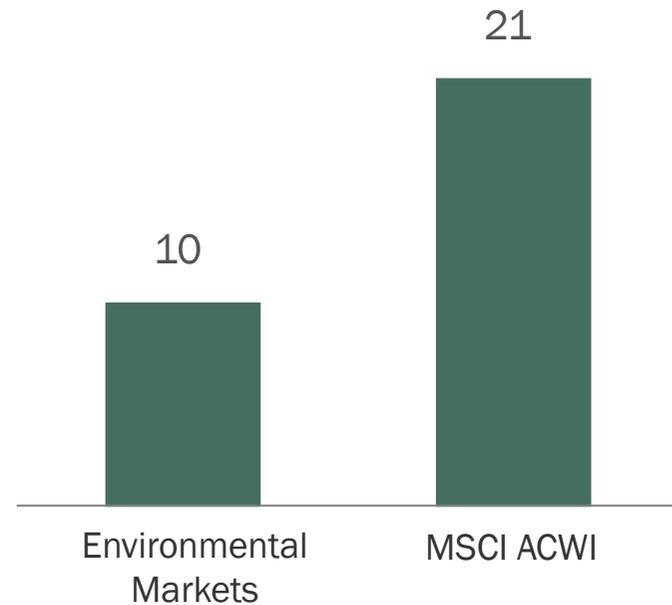
RAPIDLY EXPANDING UNIVERSE OF STOCKS¹



PREVALENCE FOR MIS-PRICING

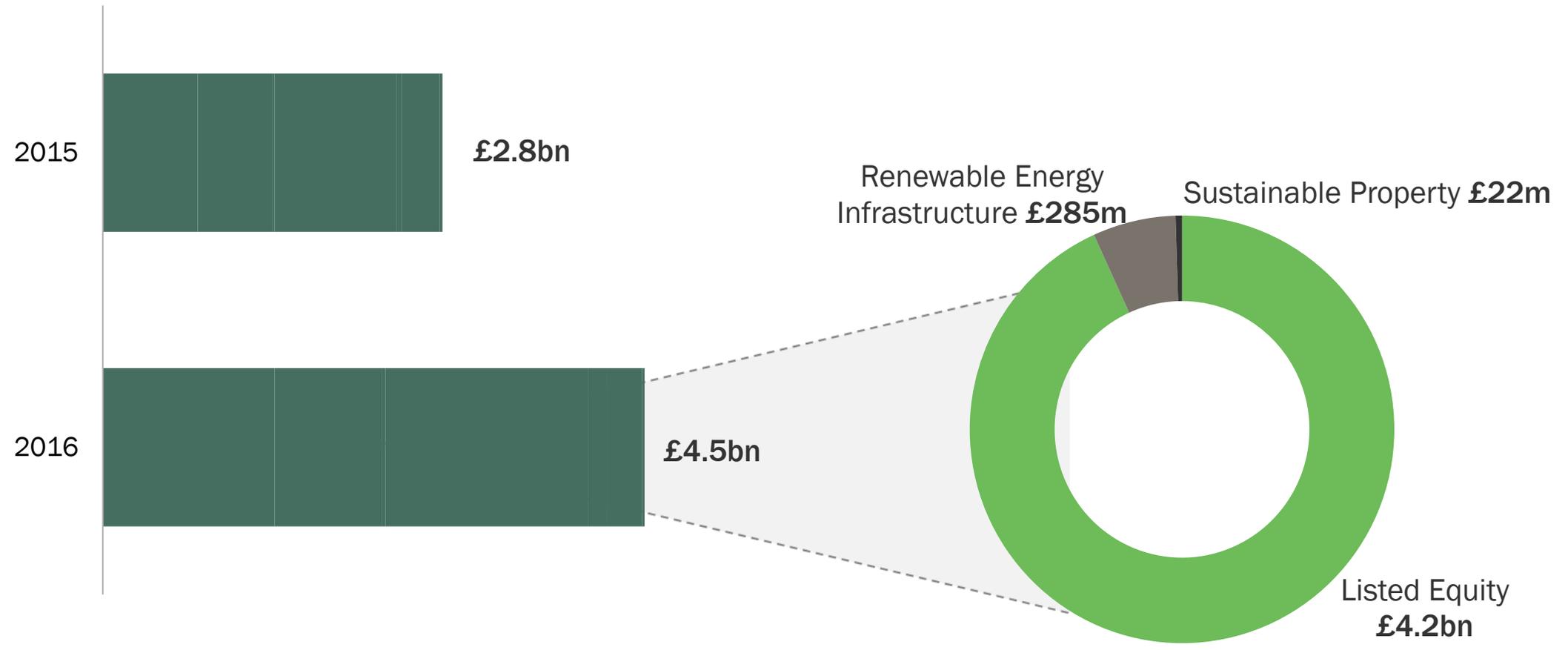


**LACK OF RESEARCH
Analysts per stock**



¹"Specialists strategy" universe for which companies have at least 50% of group revenue in Environmental Markets.

Assets under management and advice¹



¹As at 30 September 2016. Assets under advice represent ~3% of total AUM.

Broad range of strategies with significant capacity

LISTED EQUITIES	INCEPTION DATE	AUM ¹
Specialists	Mar 2002	£1.4bn
Leaders	Mar 2008	£893m
Water	Jan 2009	£1.7bn
Established		
Food and Agriculture	Dec 2012	£165m
Asia- Pacific	Nov 2009	£28m
Global Equity	Jan 2015	£2m
Earlier stage		
Total £4.2bn		

REAL ASSETS	INCEPTION DATE	AUM ¹
Impax New Energy Investors LP	2005	£83m
Impax New Energy Investors II LP	2010	£201m
Impax Climate Property Fund ²	2009	£22m
Total £306m		

Total capacity of Listed Equities strategies today is ca. £10 billion

¹As at 30 September 2016. ²Acquired by Impax 2014.

Part 2: Business highlights

2016 business update

AUM¹ increased 59% to new peak of £4.5bn

**Record net inflows of £496m
Encouraging mandate pipeline**

All listed equity strategies outperformed MSCI ACWI

First close of our third private equity infrastructure fund at €149m²

Strong growth of North American business

Expansion of product offering for the UK market

¹As of 30 September 2016. Assets under advice represent ~3% of total AUM. ²On 30 November 2016.

Financial performance for the Period

FINANCIAL PERFORMANCE	2016	2015
AUM at period end ¹	£4.5bn	<i>£2.8bn</i>
Revenue	£21.1m	<i>£19.7m</i>
Operating earnings ²	£4.2m	<i>£3.1m</i>
Profit/(loss) before tax	£5.2m	<i>£5.1m</i>
Diluted earnings per share	3.62p	<i>3.13p</i>
Shareholders' equity	£26.7m	<i>£25.9m</i>
Interim dividend per share	0.5p	<i>0.4p</i>
Proposed full dividend per share	1.6p	<i>1.2p³</i>

¹Assets under management and advice. ²Revenue less operating costs. ³Plus special dividend of 0.5p per share.

Powerful catalysts for investment

MOSCOW HEATWAVE 2010



QUEENSLAND FLOODS JAN 2011



UN CLIMATE CHANGE CONFERENCE



POLLUTION



VOLKSWAGEN EMISSIONS SCANDAL



CHINA 13TH FIVE YEAR PLAN



Environmental Markets: Brexit, Trump and COP-22



Impax listed equity and private equity funds have limited UK exposure



US has ratified the Paris Climate Agreement

Infrastructure spend likely to rise

Domestic environmental regulation may weaken



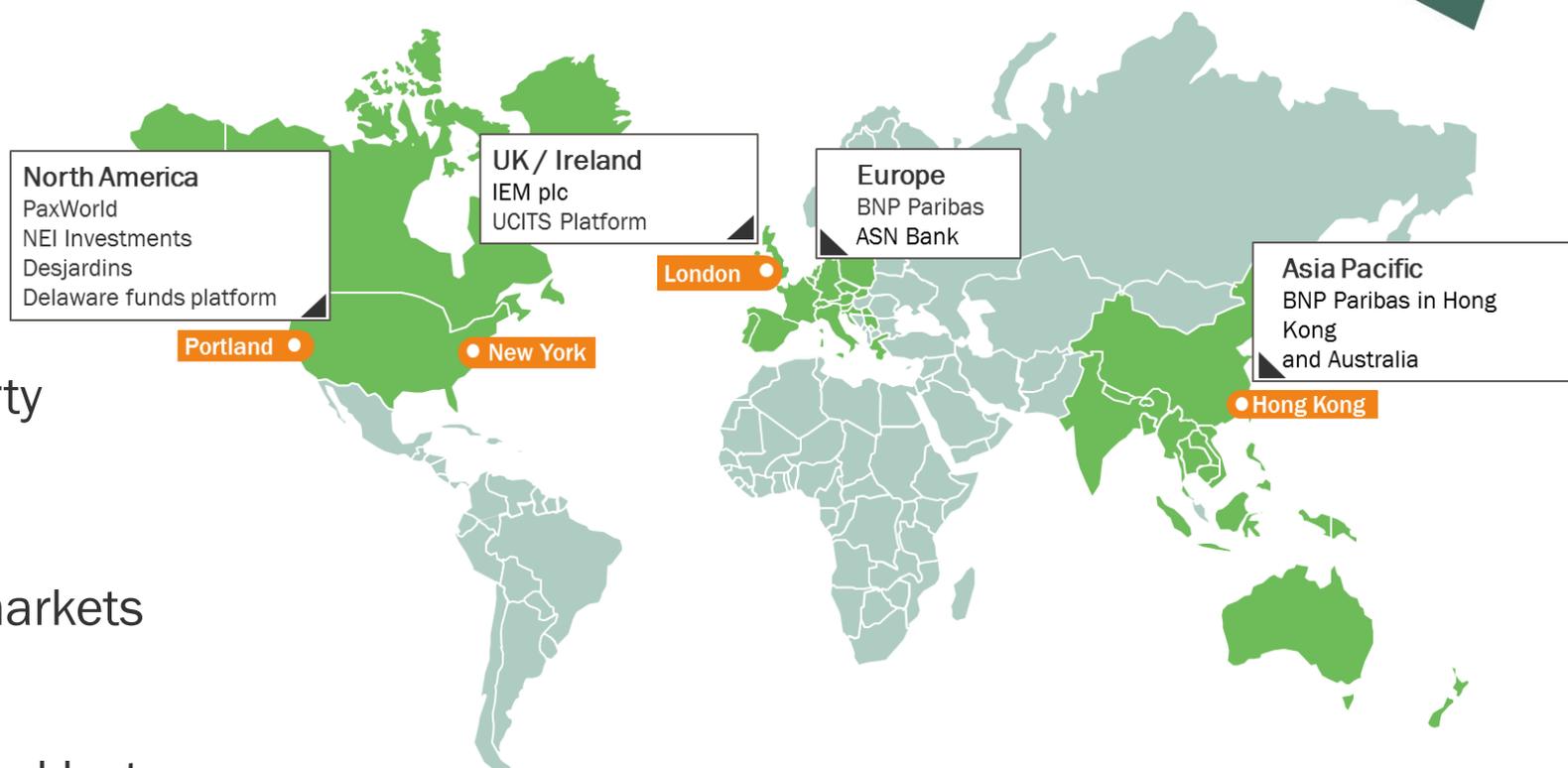
MARRAKECH 2016
COP22 | CMP12 | CMA1
UN CLIMATE CHANGE CONFERENCE

Defiant and optimistic mood at COP-22: strong commitments from China, India, Saudi Arabia

Catalysts for change and opportunities in environmental markets remain compelling

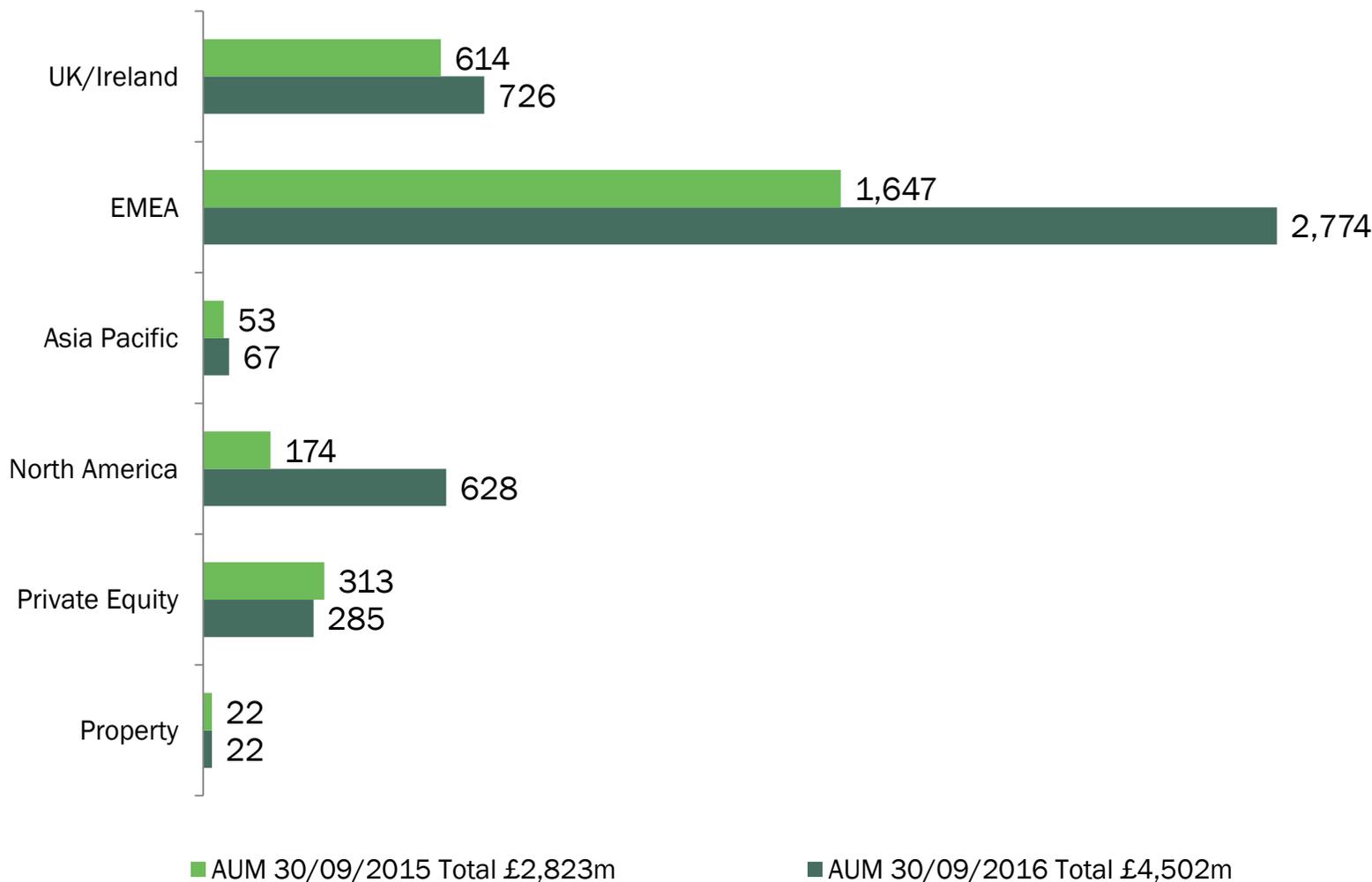
Our global distribution capabilities

- In house sales
- Committed third-party distributors
- Access to over 20 markets
- Client base diversified by type and geography



AUM growth in Europe and North America

Breakdown by client domicile (£m)



Principal funds/partners

Impax Environmental Markets plc
Irish UCITS Platform

BNP Paribas Investment Partners
ASN Bank

BNP Paribas Investment Partners
DIAM

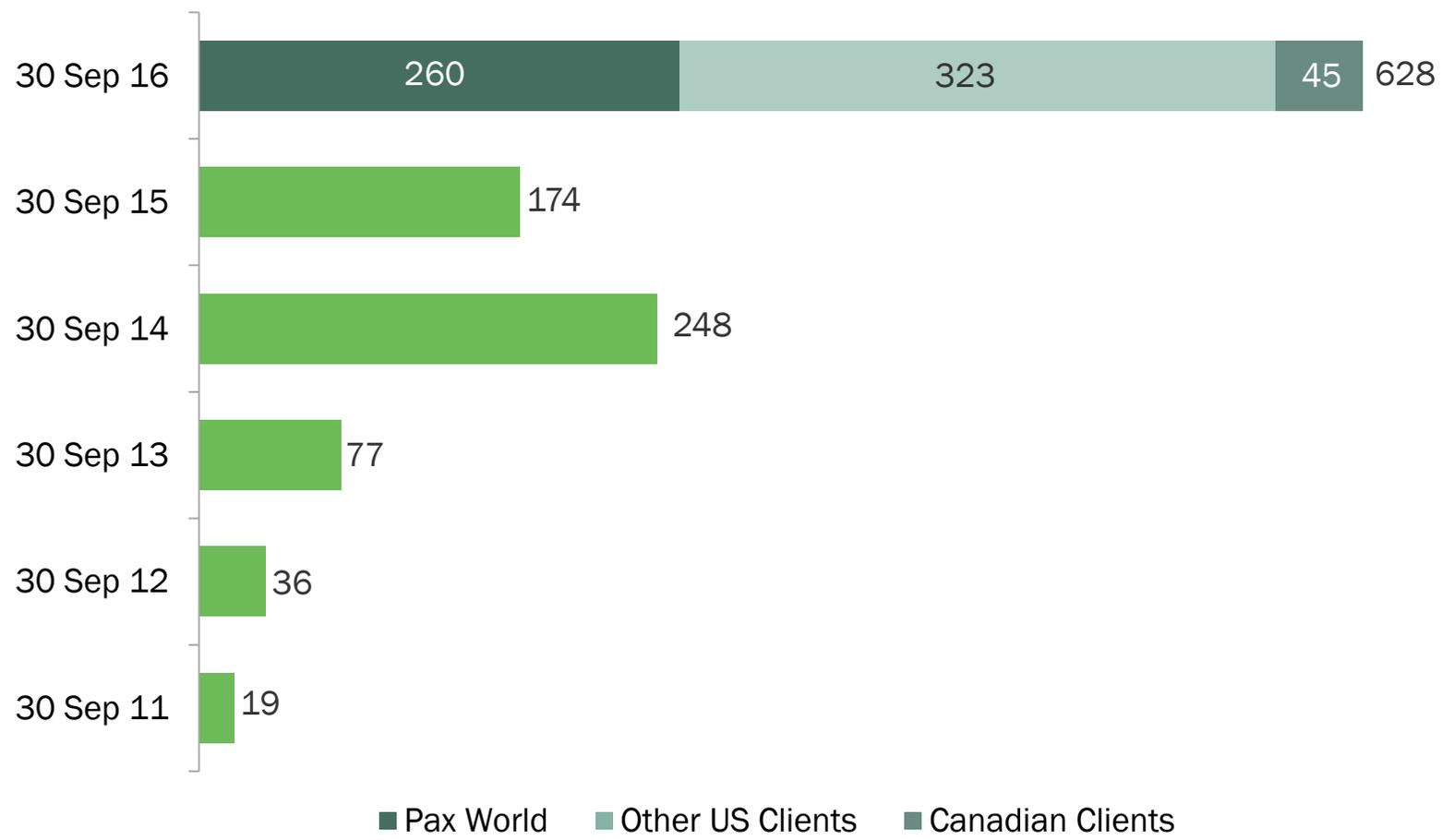
Delaware private fund
PAX World
NEI Investments
Desjardins

Impax New Energy Investors Fund I
Impax New Energy Investors Fund II

Impax Climate Property Fund

AUM growth in North America

£ million



Listed Equities

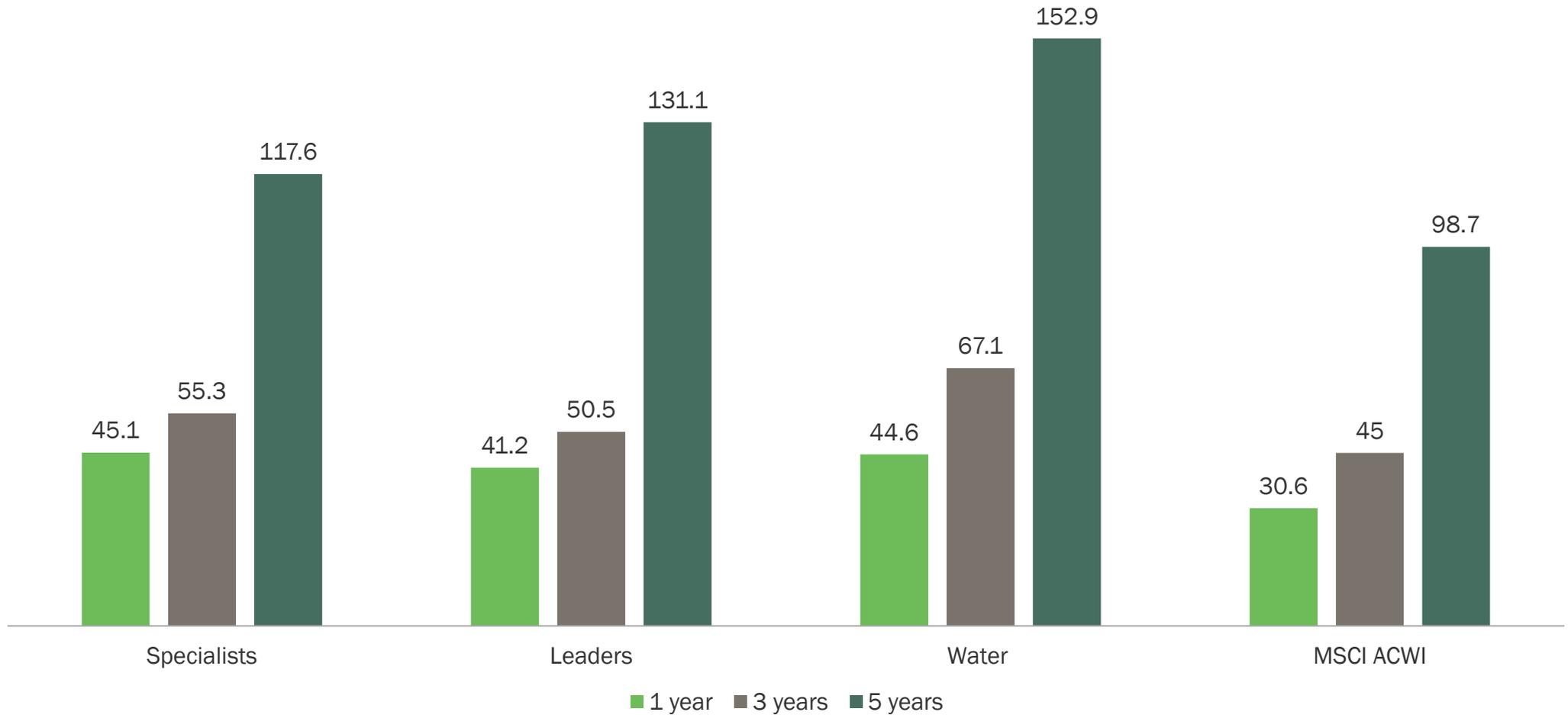


- **Leaders:** now available to UK investors
- **Specialists:** strong global demand
- **Food & Agriculture:** BNPP SMaRT Food reached AUM of £162m¹
- **Water:** BNPP launched GBP share class of Aqua in response to UK investor demand
- **Global Opportunities:** seeded, building track record and significant investor interest

¹As of 30 September 2016.

Listed Equities: strong performance record

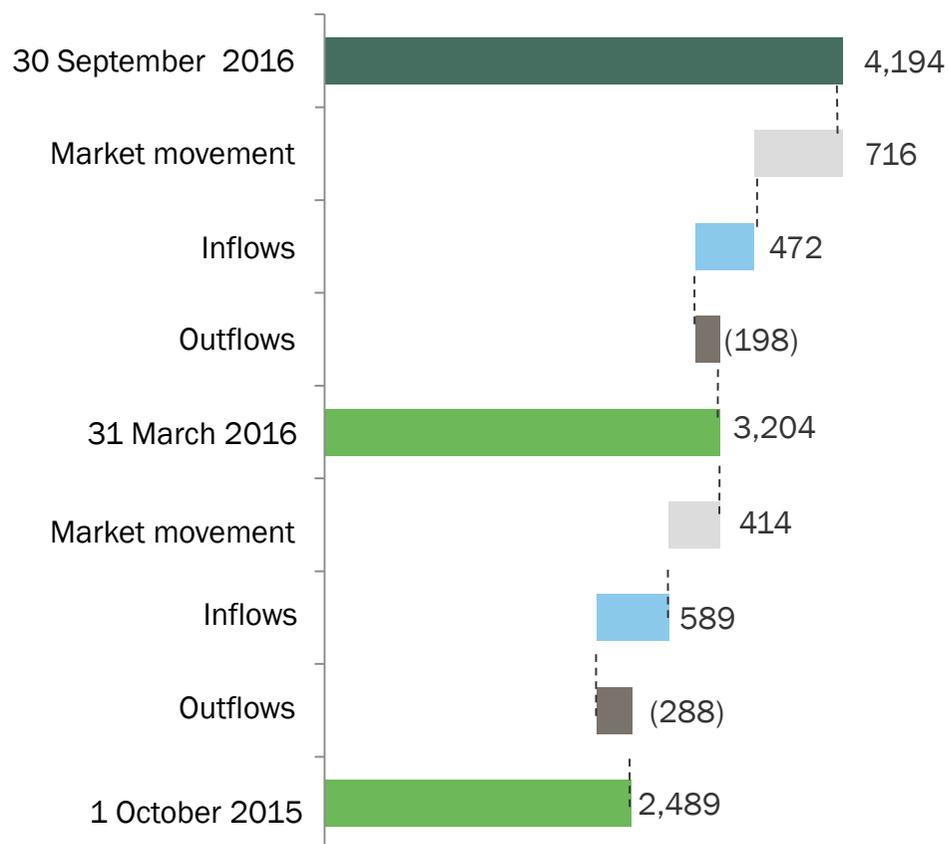
Percentage increase to 30 September 2016



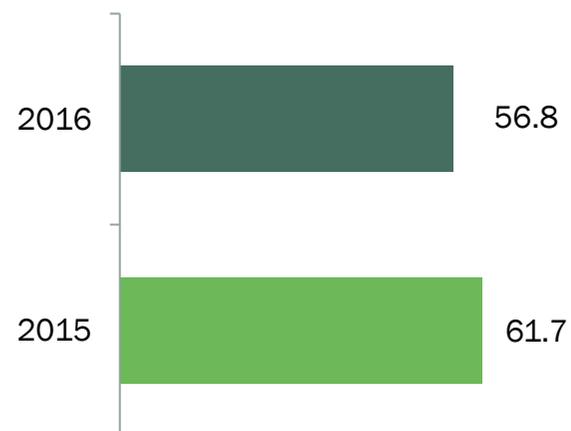
Source: Factset. Gross cumulative performance in Sterling.

Breakdown of AUM increase

LISTED EQUITY FUNDS (£m)



WEIGHTED AVERAGE REVENUE MARGIN¹ (bps)



¹All funds.

Real Assets

Private Equity Infrastructure

NEF II: successful planned realisation of operating assets

- Distributions to investors represent 116% of amounts paid in¹
- 371 MW of operating assets sold and 60% of capital invested realised²

NEF III: first close

- First close on 30 November at €149m
- On-going discussions with numerous institutional investors around the world

Sustainable Property

- EU referendum created challenging market conditions; many investors delaying decisions
- Advanced discussions with cornerstone investors

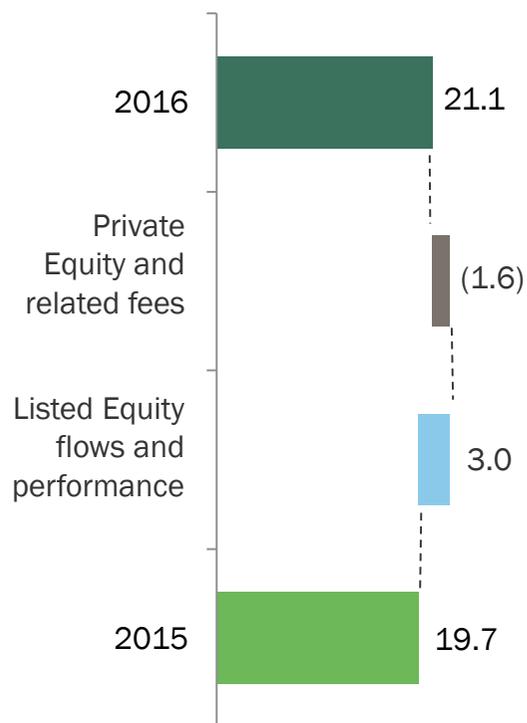
¹Gross of Fund cost and carried interest. ²As of 30 September 2016.

Part 3: Financial highlights

Financial highlights (1)

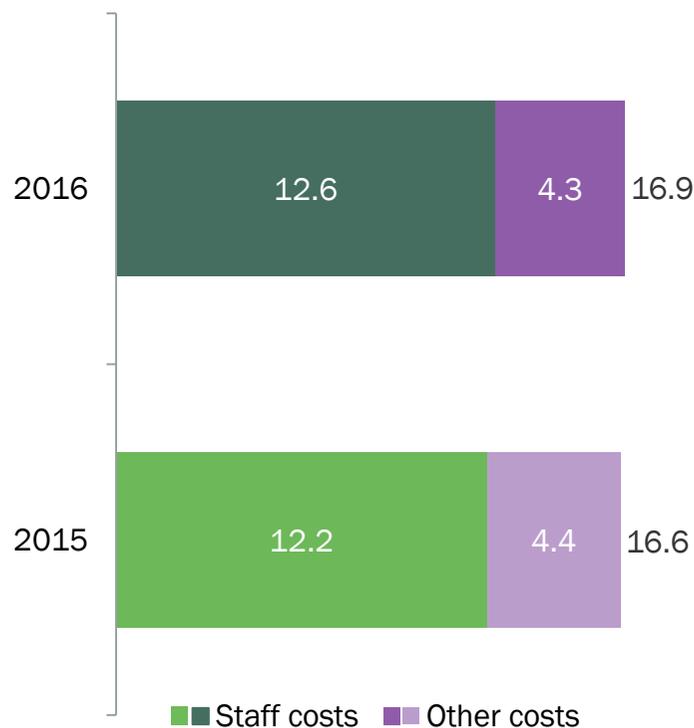
Operating performance

REVENUE (£m)

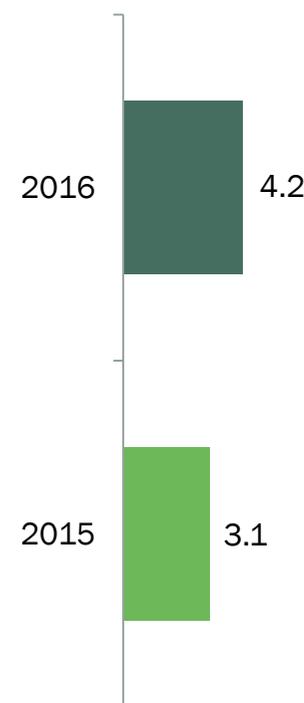


- LE revenue up: strong performance and inflows
- PE revenue down: assets sold successfully
- September 2016 run-rate revenue £23.7m

OPERATING COSTS (£m)



OPERATING EARNINGS (£m)

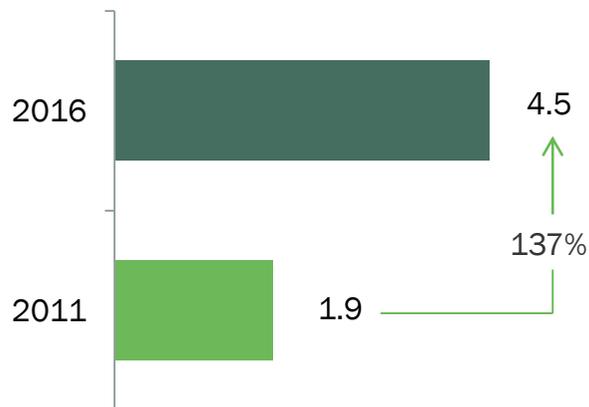


- Operating margin 20% (FY 15: 16%)
- September 2016 run-rate margin 23%

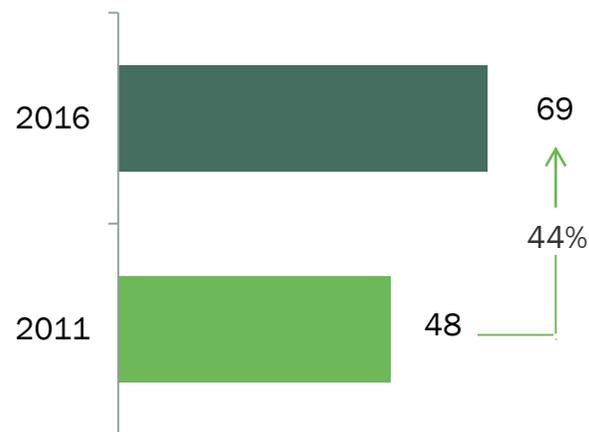
Financial highlights (2)

Long term trends

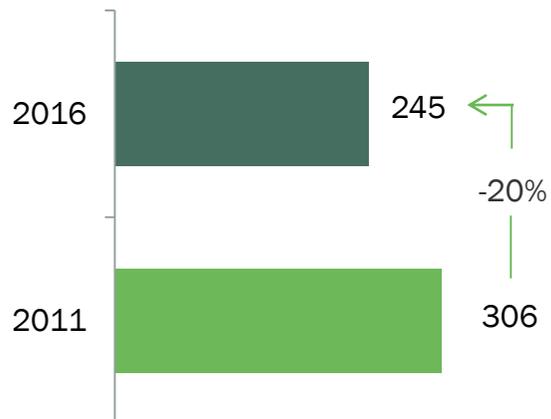
AUM (£bn)



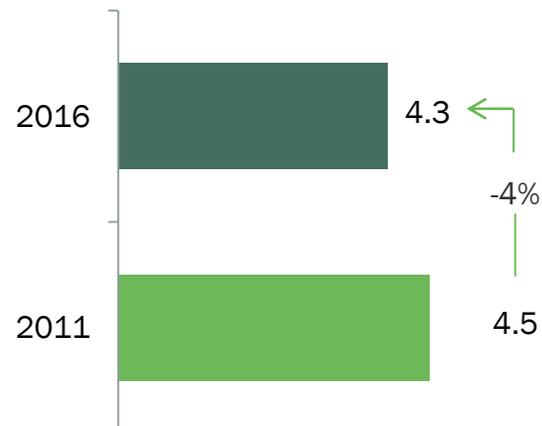
AVERAGE NUMBER OF EMPLOYEES



TOTAL OPERATING COSTS PER EMPLOYEE (£'000)



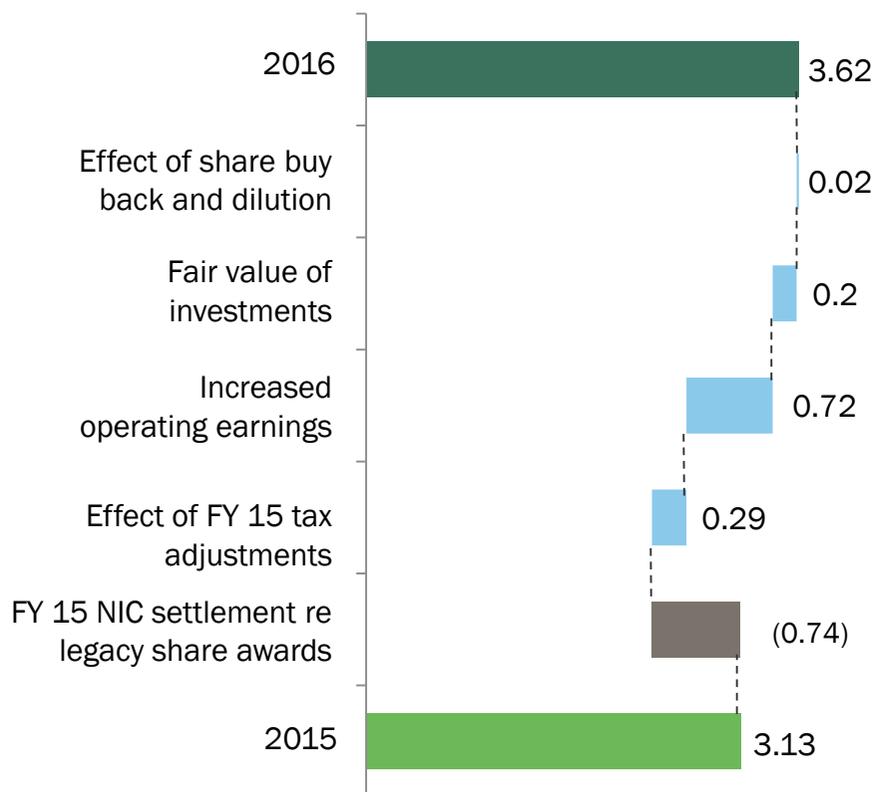
NON STAFF COSTS (£m)



Financial highlights (3)

Earnings

DILUTED EPS (p)



DIVIDEND (p)



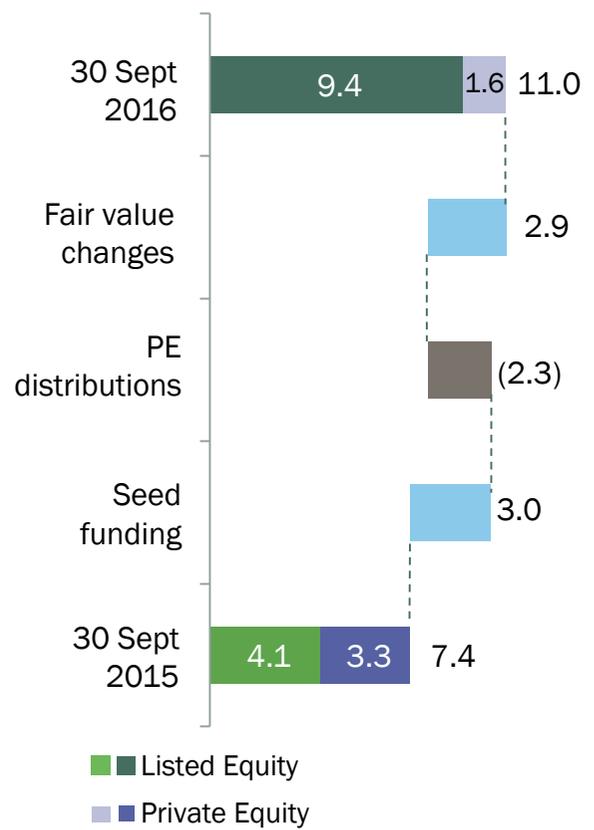
- 31% rise
- Increased every year since inception in 2008
- Dividend cover of 1.8 x
- 2015 2x covered (excluding special)
- Scope to continue to increase

¹Proposed.

Financial highlights (4)

Cash and investments

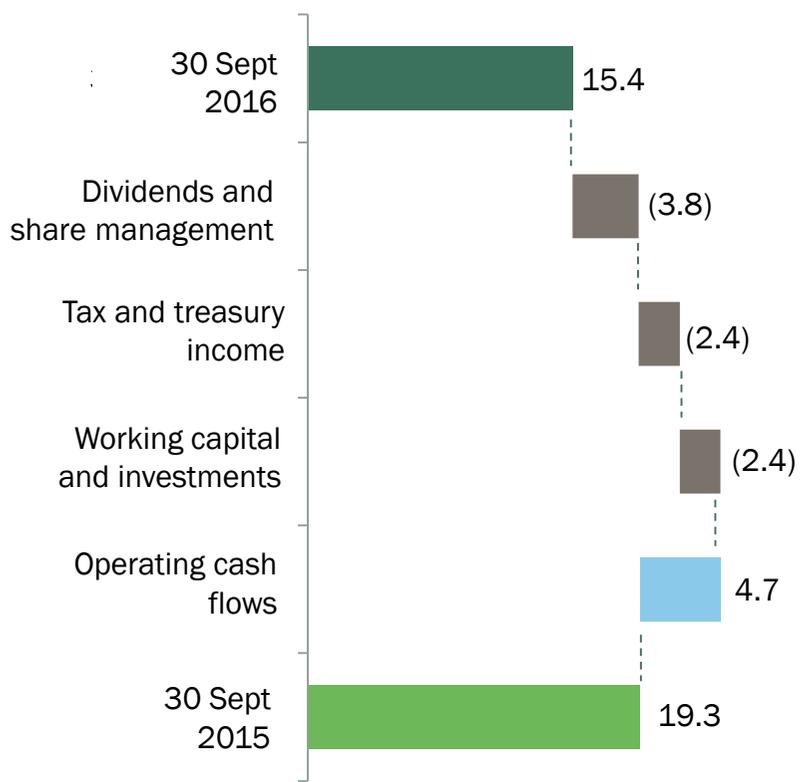
INVESTMENTS¹ (£m)



- Distributions: £2.3m from successful Private Equity exits
- Seed funding: £3m Impax Environmental Leaders fund

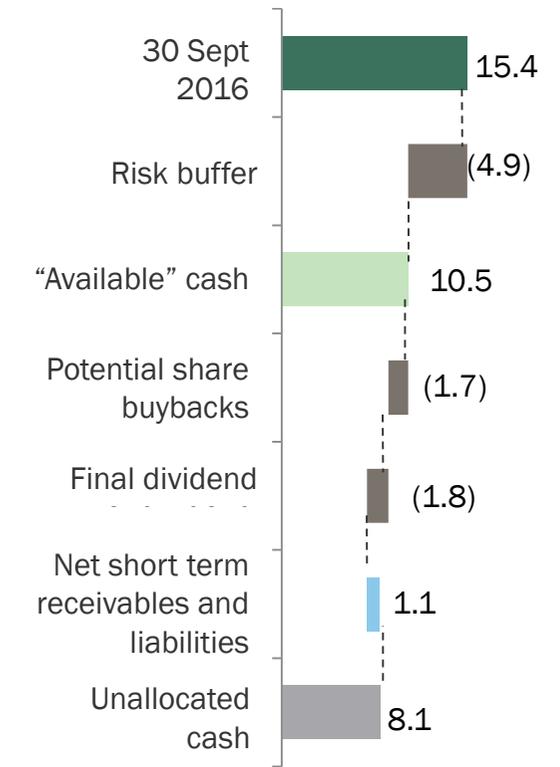
¹Excluding third party interest on consolidated funds.

CASH RESERVES (£m)



- 3.6m IPX shares bought back during the Period

CASH RESERVES ANALYSIS (£m)



- “Un-allocated cash” held for further share buy-backs, seed investments, business development etc.

Financial highlights (5)

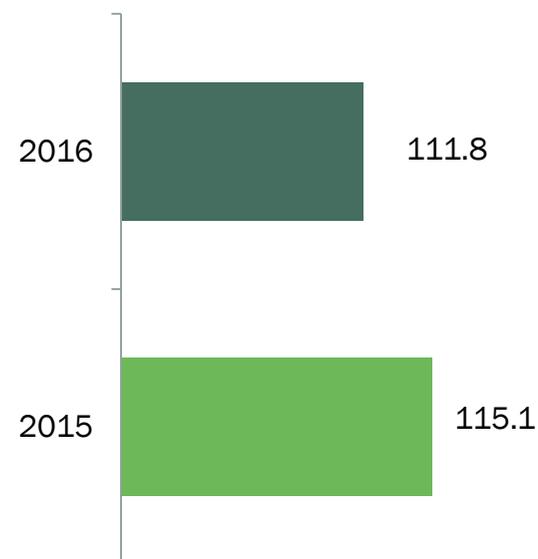
Balance sheet

CURRENT ASSETS (£m)



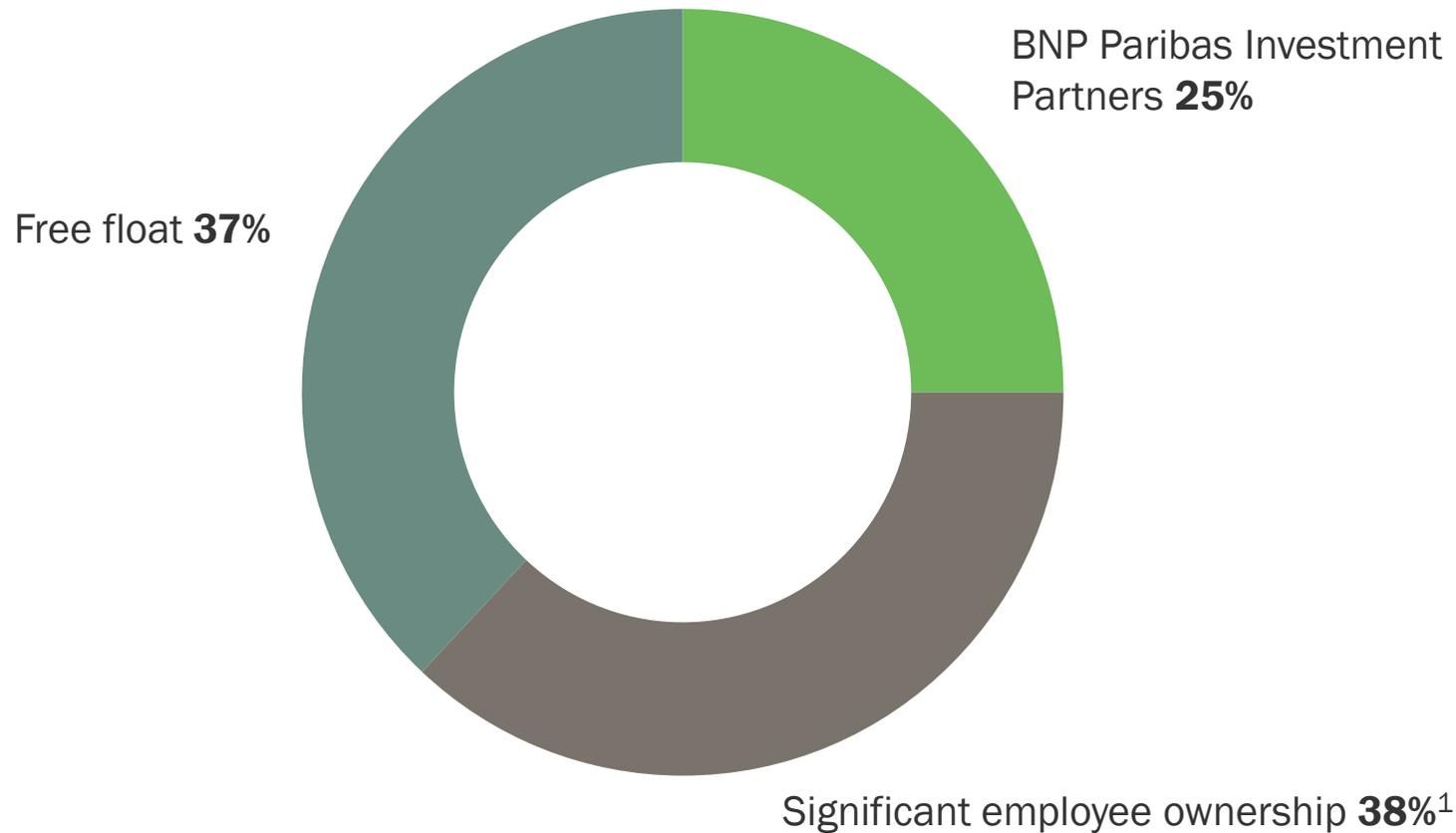
- “Available Assets” per share around 19.2p

BASIC SHARES (m)



- 3.6m shares bought back during the Period
- 12.9m ESOP awards and 4.9m RSS granted and unexercised
- PRP pool reduced by staff equity award costs
- 111.3m shares qualifying for a dividend

Our ownership structure



- Total IPX ordinary shares 127.7m
- Employee and Trust holdings 48.5m (38%)
- 17.8m ESOP and RSS awards granted and unexercised (equivalent to 14% IPX shares) of which 6.1m have vested and are unexercised

¹Includes vested shares within sub-funds of the Employee Benefit Trusts (EBTs) from which the individuals and their families may benefit and other shares held by EBTs in respect of vested LTIP option awards and other employee incentive schemes.

Our remuneration policy aligns incentives

- Policy of median salary and profit-related bonus
 - variable performance-related reward
 - Profit related pay (PRP) pool typically capped at 45% of EBIT before bonus
- Restricted Share Scheme
 - launched 2014
 - aligns interest of staff and shareholders
 - fully vested after 5 years
 - expensed from PRP pool
 - dilution impact being offset by share buyback programme

Milestones/Prospects

Attractive investment skills/strategies

- High growth global equities
- An acknowledged leader internationally
- Strong investment performance

Potential for further scaling

- Stable, expert team
- 4 scalable strategies at critical mass; 3 more to be scaled
- Infrastructure/team in place for significantly larger AUM

Strong distribution

- Strengthened UK coverage
- Expanded platform in North America
- Proven use of third party partners

Building shareholder value

- Commitment to progressive dividend policy
- Earnings rising on AUM growth

Important information

This document has been prepared by Impax Asset Management Group plc and approved by Impax Asset Management Limited and Impax Asset Management (AIFM) Limited (“Impax”, authorised and regulated by the Financial Conduct Authority). Both companies are wholly owned subsidiaries of Impax Asset Management Group plc. The information and any opinions contained in this document have been compiled in good faith, but no representation or warranty, express or implied, is made to their accuracy, completeness or correctness. Impax, its officers, employees, representatives and agents expressly advise that they shall not be liable in any respect whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise however arising (whether in negligence or otherwise) out of or in connection with the contents of or any omissions from this document. This document does not constitute an offer to sell, purchase, subscribe for or otherwise invest in units or shares of any fund managed by Impax. It may not be relied upon as constituting any form of investment advice and prospective investors are advised to ensure that they obtain appropriate independent professional advice before making any investment in any such fund. Any offering is made only pursuant to the relevant offering document and the relevant subscription application, all of which must be read in their entirety. Prospective investors should review the offering memorandum, including the risk factors in the offering memorandum, before making a decision to invest. Past performance of a fund or strategy is no guarantee as to its performance in the future. This document is not an advertisement and is not intended for public use or distribution.

Photograph sources on slides 8 and 9 are iStock and Shutterstock.

COP21 logo: <http://www.cop21.gouv.fr/en/logos/>

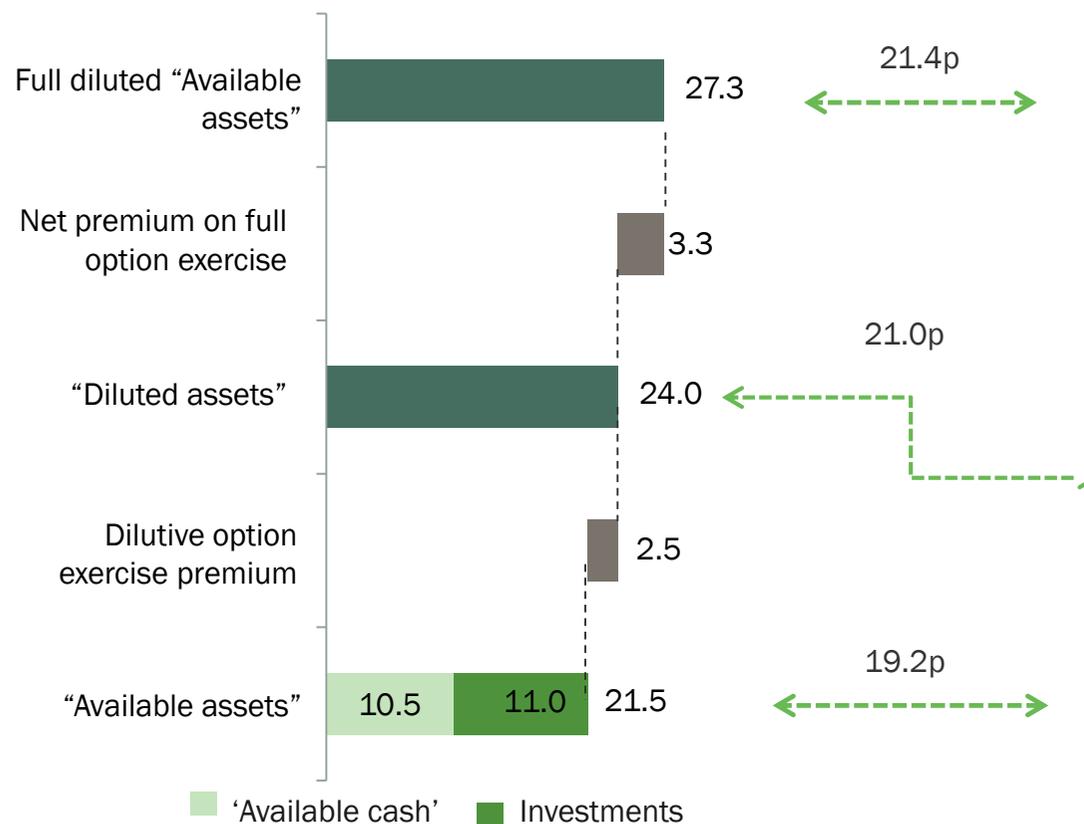
COP22 logo: <http://cop22.ma>

Appendix

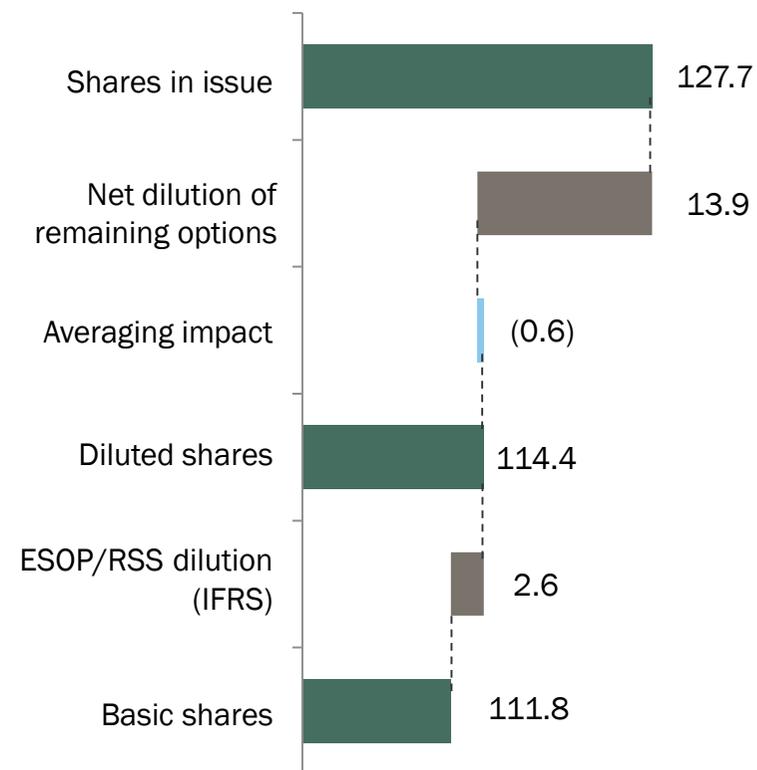
Appendix

Balance sheet

AVAILABLE ASSETS & SHARE ANALYSIS (£m)



SHARE ANALYSIS (m)



- 3.6m shares bought back during the Period
- 12.9m ESOP awards and 4.9m RSS granted and unexercised
- PRP pool reduced by staff equity award costs
- 111.3m shares qualifying for a dividend

¹Assume all ESOP options exercised

Income statement

	Year ended 2016 £'000	Year ended 2015 £'000
Revenue	21,067	19,726
Operating costs	(16,915)	(16,616)
Operating earnings	4,152	3,110
Operating margin	20%	16%
Credits/(charges) related to legacy long term incentive schemes	27	1,285
Fair value (losses)/gains	989	615
Change in third party interest in consolidated funds	(288)	(101)
Investment income	319	228
Profit before taxation	5,199	5,137
Taxation	(1,022)	(1,504)
Profit for the period	4,177	3,633

Balance sheet

	30 Sep 2016	30 Sep 2015
	£'000	£'000
Goodwill and intangibles	1,742	1,754
Other non-current assets	122	201
	1,864	1,955
Cash and cash equivalents	15,695	19,517
Current asset investments	12,811	7,419
Other current assets	7,309	4,980
Total assets	37,679	33,871
Current liabilities	9,998	5,510
Non current liabilities	936	2,434
Net assets	26,745	25,927
Shareholders' equity	26,745	25,927

Note: The Balance Sheet includes effects due to the consolidation of investments
 Cash reserves not including consolidated funds are £15.4m (Sep 2015: £19.3m)

Impax investments

Theme	Principal funds/investee	Investments ¹ (£m)	% of Fund AUM	Comments
Food and Agriculture	Impax Food and Agriculture Fund	3.0	95%	
Leaders	Impax Environmental Leaders (Ireland) fund	4.0	67%	
Global equities	Impax Global Equity Opportunities Fund	2.4	99%	
Private Equity	Impax New Energy Investors LP	0.6	4%	Commitment: €3.8m, €0.2m outstanding
	Impax New Energy Investors II LP	0.5	1%	Commitment: €3.3m, €1.1m outstanding
	Impax New Energy Investors III LP	-	-	Commitment: €4m
Legacy	Ensyn	0.5		
		11.0		

¹Fair value at 30 September 2016