



Impax Asset Management Group plc

Interim results for the six months
to 31 March 2016

Agenda

- Impax overview
- H1 2016 business update
- H1 2016 financial update and outlook
- Q&A

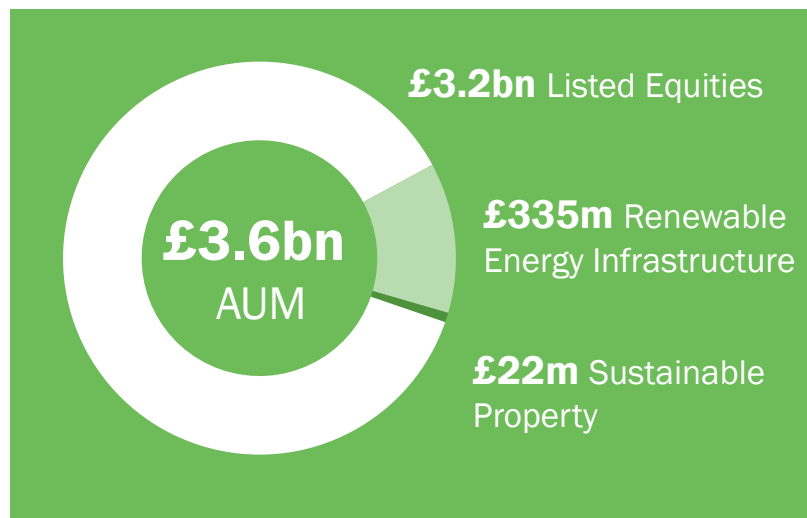


Part 1 –Impax overview

Impax overview

- Dedicated to environmental markets since 1998
- Global institutional client base
- Established sector thought leaders
- Offices in London, Hong Kong, New York, and Portland OR
- 30 experienced investment team members

ASSETS UNDER MANAGEMENT AND ADVICE¹



WINNER OF NUMEROUS AWARDS



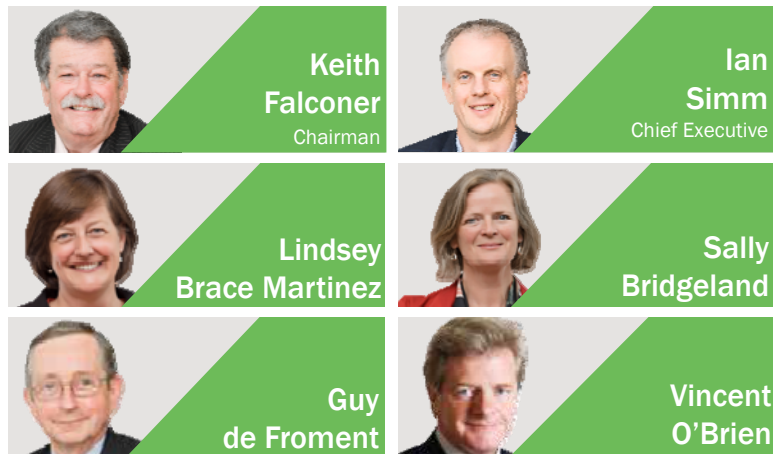
2015 UNPRI assessment: **A+**
Policies, Processes,
Practices, and Governance



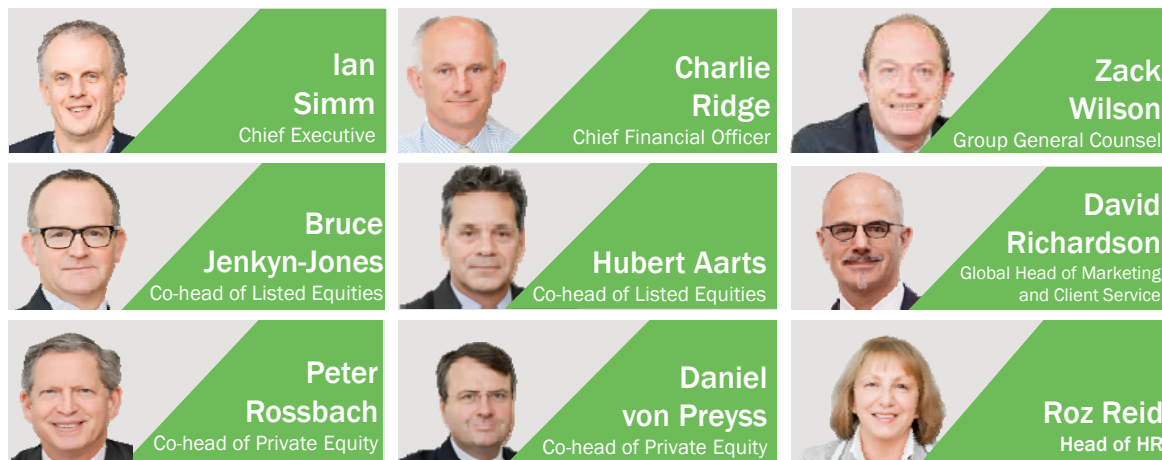
¹As of 31 March 2016. Assets under advice represent ~4% of total AUM.

Extensive expertise

BOARD MEMBERS



SENIOR MANAGEMENT TEAM

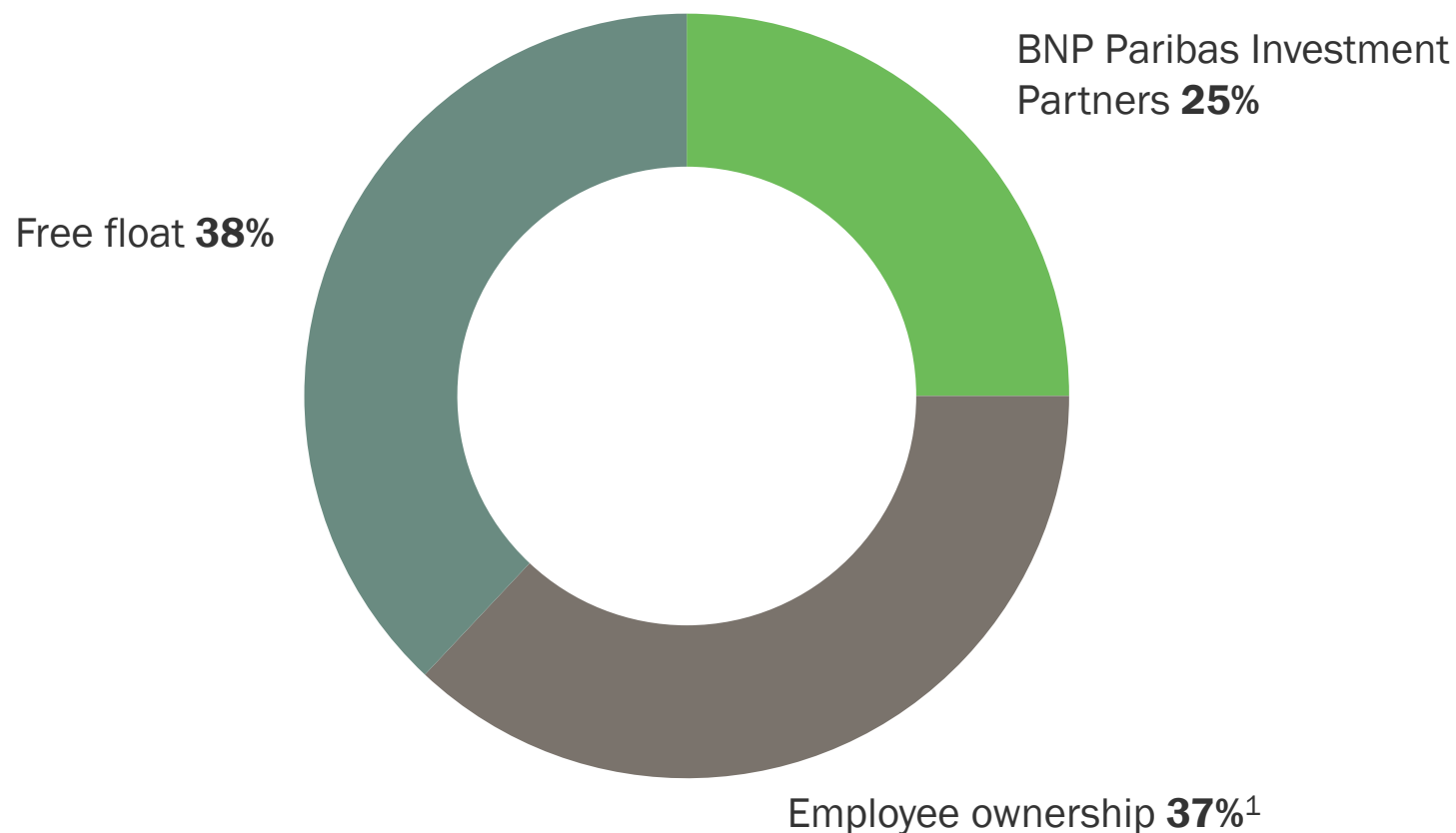


- Diverse experience across global investment management, private equity and investment consultancy with deep expertise in governance and risk management

- Stable team, assembled since 1998
- Wide ownership of IPX stock and Impax funds
- Investment team comprises 30 staff

IPX shareholder register

Significant staff ownership



- Total IPX ordinary shares 127.7m
- Employee and Trust holdings 47.2m (37%)
- 17.8m ESOP and RSS awards granted (equivalent to 14% IPX shares) of which 6.4m have vested

¹Staff ownership was 37% as at 31 March 2016. Includes vested shares within sub-funds of the Employee Benefit Trust 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.

Resource Efficiency and Environmental Markets:

FTSE classification



Energy

Energy Efficiency

- Power Network
- Industrials
- Buildings
- Transport
- Consumer

Alternative Energy

- Developers & IPPs
- Solar
- Wind
- Biofuels
- Other



Water

Water Infrastructure & Technologies

- Infrastructure
- Treatment
- Utilities

Pollution Control

- Pollution Control Solutions
- Testing & Gas Sensing
- Public Transportation



Food, Agriculture & Forestry

- Sustainable & Efficient Agriculture
- Logistics, Food Safety & Packaging
- Sustainable Forestry



Waste/Resource Recovery

Waste Management & Technologies

- Tech Equipment
- Recycling & Processing
- Hazardous
- General

Environmental Support Services

- Consultancies
- Carbon & Asset Trading
- Diversified Environmental

Some sub-sectors have an additional 'diversified' category not shown above for the sake of clarity

Impax investment universe is growing rapidly

Large universe of growing companies

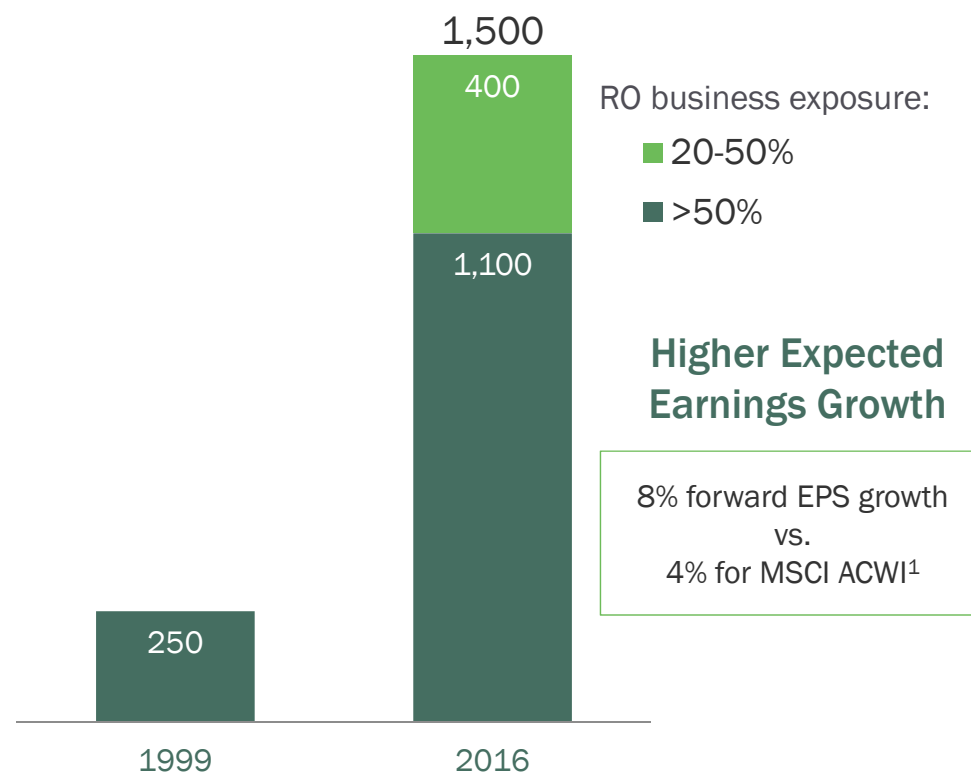
- \$4.1 T in Market Cap

Diverse range of opportunities

- Cyclical
- Defensive
- Special Situations

OUR MARKETS ARE NOT WELL UNDERSTOOD AND ARE FREQUENTLY MISPRICED

NUMBER OF COMPANIES



Based on Impax's proprietary environmental markets database. This database is used to help construct the FTSE Environmental Markets Index Series.

¹Source: FactSet, as of 31 March 2016. Forward EPS growth data for FTSE EOAS as a proxy for resource efficiency markets. Expected earnings growth is not guaranteed to occur.

Client demand: several possible roles for an Impax strategy

IMPAX STRATEGIES INTEGRATE WELL WITHIN MANY ASSET CATEGORIES

Global Equities

- ▶ Unconstrained
- ▶ Highly differentiated
- ▶ Thematic
- ▶ Opportunistic

Natural Resources

- ▶ Resource demand
- ▶ Resource scarcity
- ▶ Resource efficiency

ESG/SRI Investments

- ▶ Impact/mission related
- ▶ Low carbon/fossil fuel free
- ▶ Environmental solutions
- ▶ Climate change solutions

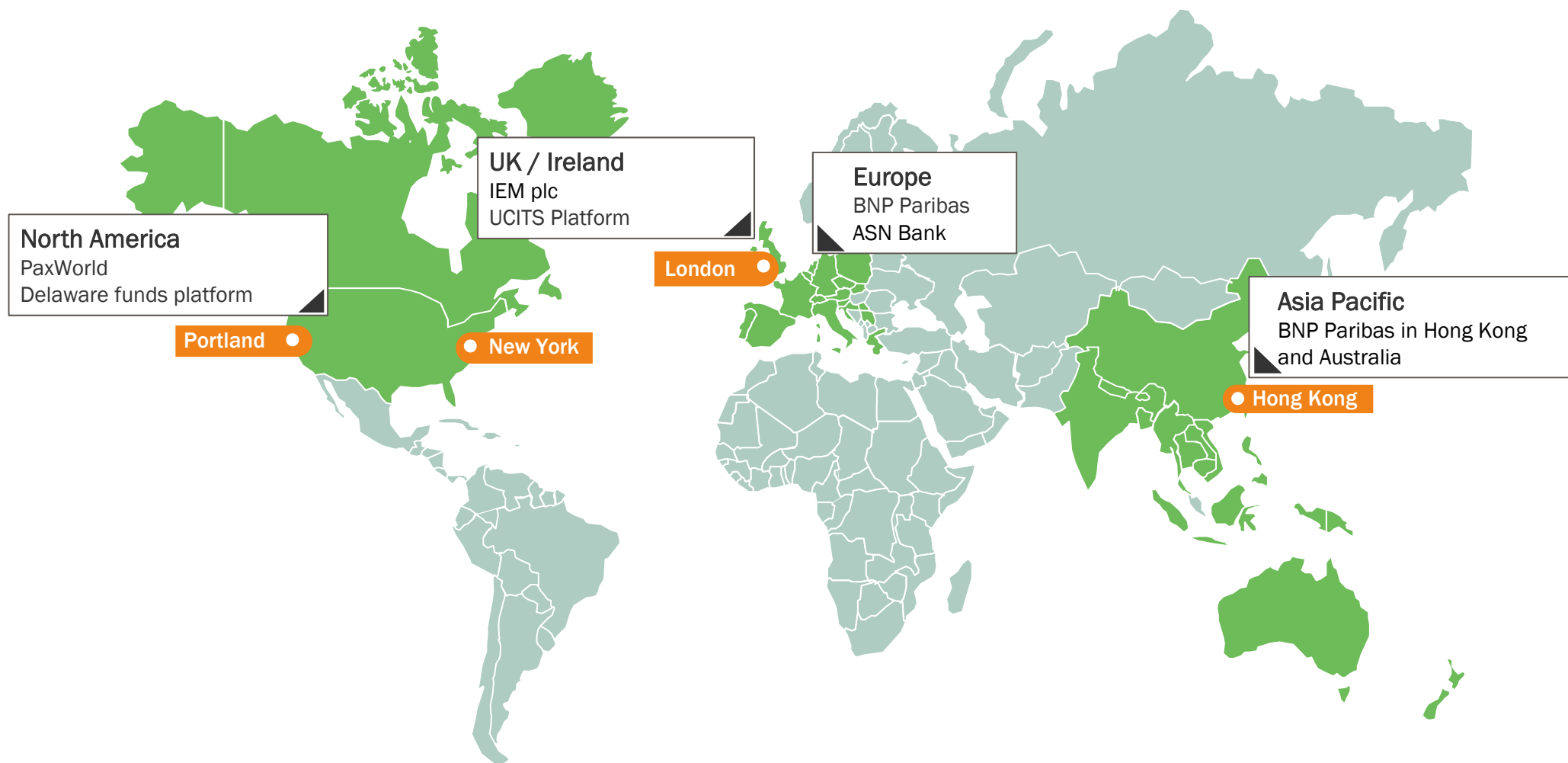
Alternatives

- ▶ Liquid real assets
- ▶ Infrastructure
- ▶ Alternative growth
- ▶ Inflation oriented



Global distribution capabilities

Combination of direct and third party sales



Part 2 – H1 2016 business update

H1: Strong inflows and investment performance

- AUM up 26% over six months to a new peak of £3.56bn
- Net inflows of £300m
- All listed equity strategies outperformed MSCI ACWI
- Interim dividend increased by 25% to 0.5 pence per share
- Solid progress in discussions with investors on raising new monies in real asset strategies
- Recent awards : Investment Week - Best Environmental Fund Management Group and Best Specialist Fund Management Group for second consecutive year¹

¹ for 2015

Financial performance (six months to 31 March 2016)

FINANCIAL PERFORMANCE	H1 2016	H2 2015	H1 2015	2015
AUM at period end ¹	£3.6bn	£2.8bn	£3.1bn	£2.8bn
Revenue	£9.4m	£9.3m	£10.4m	£19.7m
Operating earnings ²	£1.6m	£0.8m	£2.3m	£3.1m
Profit/(loss) before tax	£2.1m	£3.2m	£1.9m	£5.1m
Diluted earnings per share ³	1.35p	1.52p	1.61p	3.13p
Shareholders' equity	£24.5m	£25.9m	£25.2m	£25.9m
Dividend	0.50p	1.70p ⁴	0.40p	2.10p ⁴

¹ assets under management and advice.

² revenue less operating costs

³ For 2012 – 2014 adjusted to exclude the IFRS2 charge for share schemes satisfied by primary shares, and to include the full effect of share buy backs and the dilutive effect of option schemes

⁴ includes special dividend of 0.50p

AUM attained significant new peak

Phase 1: Establishing the business

1998 | 15
1999 | 20
2000 | 39
2001 | 38
2002 | 55
2003 | 66

Phase 2: Scale up to critical mass

2004 | 69
2005 | 214
2006 | 429
2007 | 982
2008 | 1099
2009 | 1265

Phase 3: Consolidation & investment

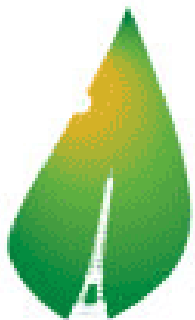
2010 | 1823
2011 | 1896
2012 | 1828
2013 | 2197

Phase 4: Next stage of AUM growth

2014 | 2755
2015 | 3108
2016 | 3562¹

¹ As at 31 March 2016

Catalysts for sustained long term growth



Paris Climate Agreement:
provides clear long term
framework and direction for
investors



China:
renewing commitment to
pollution control with huge
investment detailed in 13th
Five Year Plan



Water stress:
75% of California
experiencing severe
drought



Increasing incidence of
severe weather events

Broad range of strategies with significant capacity


LISTED EQUITIES	INCEPTION DATE	AUM ¹	
Specialists	Mar 2002	£1.2bn	Established
Leaders	Mar 2008	£650m	
Water	Jan 2009	£1.3bn	
Total £3.2bn			
Food and Agriculture	Dec 2012	£67m	Earlier stage
Asia- Pacific	Nov 2009	£23m	
Global Equity	Jan 2015	£2m	

REAL ASSETS	INCEPTION DATE	AUM ¹
Impax New Energy Investors LP	2005	£77m
Impax New Energy Investors II LP	2010	£258m
Impax Climate Property Fund	2009	£22m
		Total £357m

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

¹ As at 31 March 2016

Listed Equities

- 
- **Leaders:** now available to UK investors
 - **Specialists:** significant new US mandates
 - **Food & Agriculture:** AUM now at critical mass
 - **Water:** BNPP launched GBP share class in response to UK investor demand
 - **Global Equity:** seeded, building track record and significant investor interest

Listed Equities: strong long term investment performance

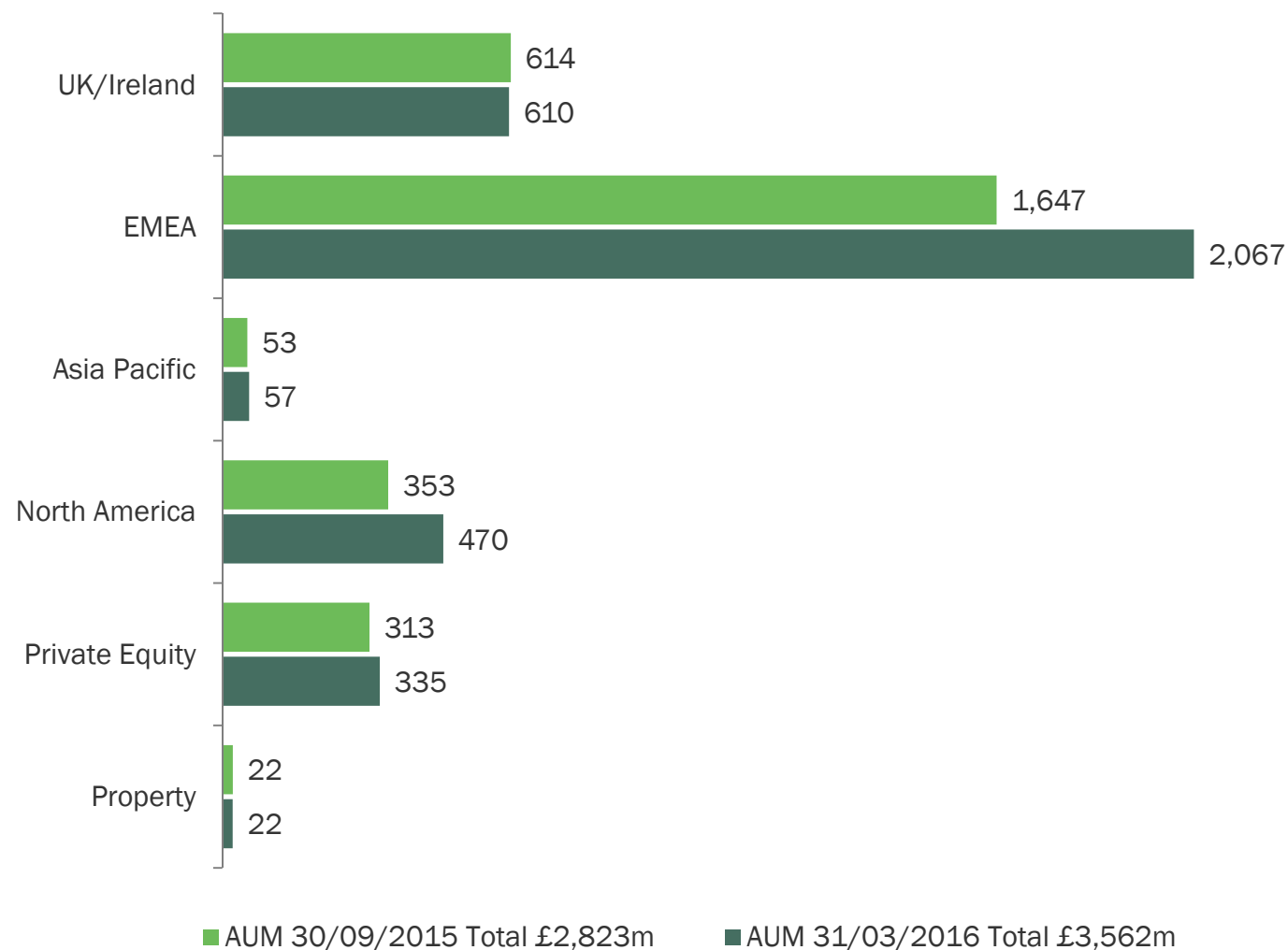
Annualised performance to 31.03.2016 in GBP (%)	1 Year	3 Years	5 Years	10 Years	EPS growth (%) ¹	PE ratio ¹
Specialists	7.6	10.6	6.7	6.8	12.8	16.7x
FTSE ET ² Index	-3.3	11.6	2.0	2.9	12.7	16.8x
Leaders	2.2	9.0	8.5	-	9.3	16.0x
FTSE EOAS Index	-0.4	9.4	6.8	-	8.3	16.4x
Water	8.6	11.7	12.0	-	11.9	17.5x
Asia-Pacific	-3.4	8.2	2.4	-	17.3	13.0x
Food and Agriculture	7.4	8.2	-	-	9.9	15.6x
MSCI ACWI	-1.2	7.5	7.5	6.1	4.3	15.0x

¹These are forward looking numbers and there is no guarantee that this valuation will be achieved. Past performance is no guarantee as to future performance

Strategy performance is shown gross, MSCI index is net calculated including dividends reinvested, net of withholding taxes, FTSE indices are total return calculated including dividends reinvested gross of withholding taxes (source: FactSet).²FTSE ET100 data shown from January 2014, previous data represents FTSE ET50. Data represents internal Impax ET50 data until FTSE formally adopted the index in 2008.

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

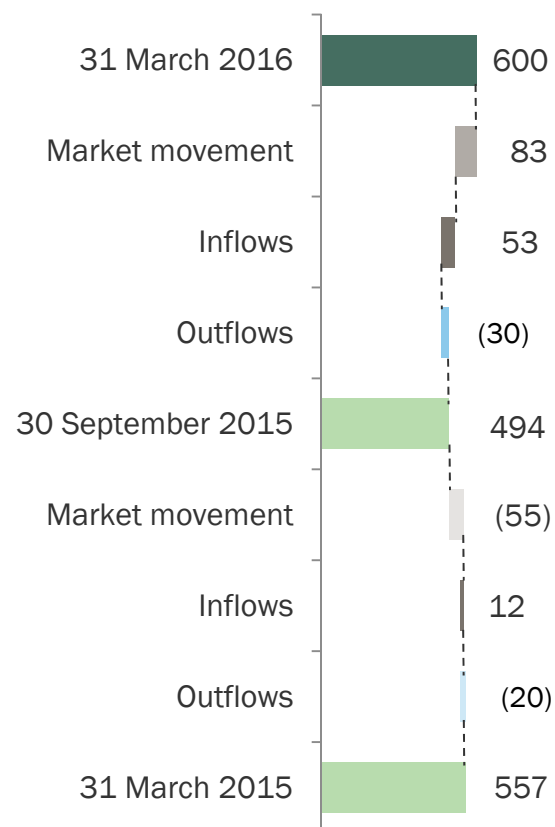
Delaware private fund
PAX World
NEI

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

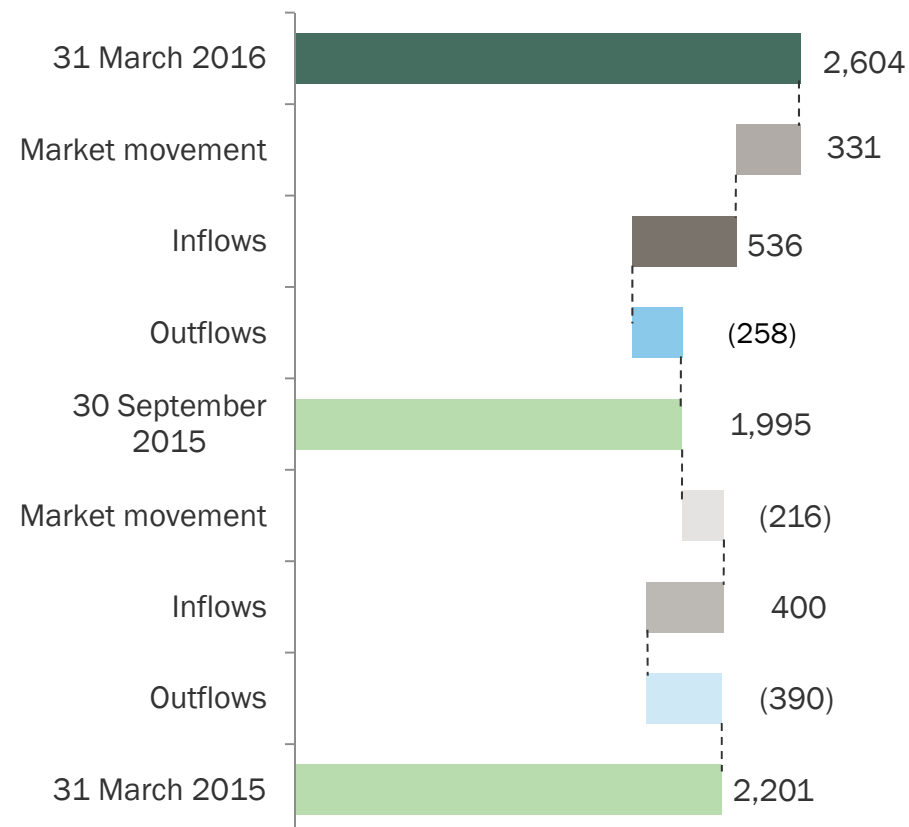
Impax Climate Property Fund

Breakdown of AUM increase (listed equities)

“IMPAX LABEL” FUNDS (£m)



THIRD PARTY FUNDS/ACCOUNTS (£m)



Note: the data above refer to Listed Equity funds and accounts only

Private Equity Infrastructure



NEF II: planned realisation of operating assets

- Successful sales of 338 MW wind assets in France and Germany, Finland and Ireland
- Fund on track to meet investor expectations

Fundraising plans well advanced

- EIB has approval for commitment >€50m
- BNP Paribas (placement agent) engaging with investors
- Numerous discussions with institutional investors in the UK and US

Sustainable Property



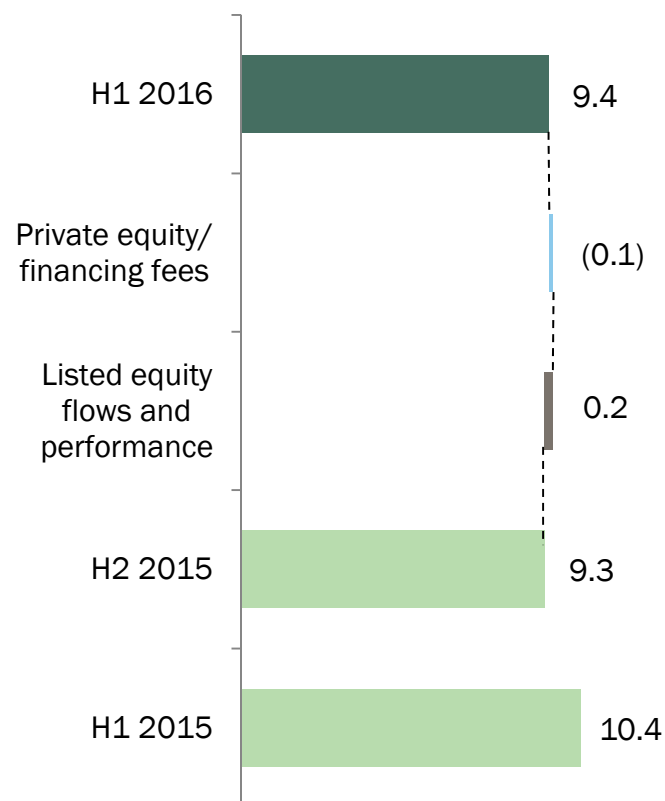
- Paris Climate Agreement a strong catalyst for property sector where demand increasingly driven by stricter regulation
- Plan to let and sell remaining asset in Fund I progressing
- Many investors in UK property awaiting the outcome of EU referendum
- Discussions with cornerstone investors advanced

Part 3 – H1 2016 financial update

Financial highlights

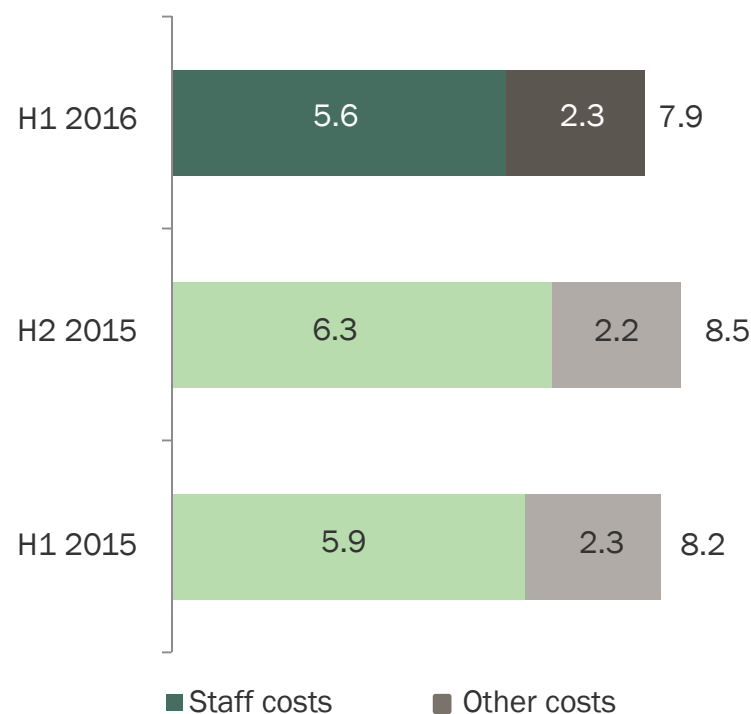
Operating performance

REVENUE (£m)



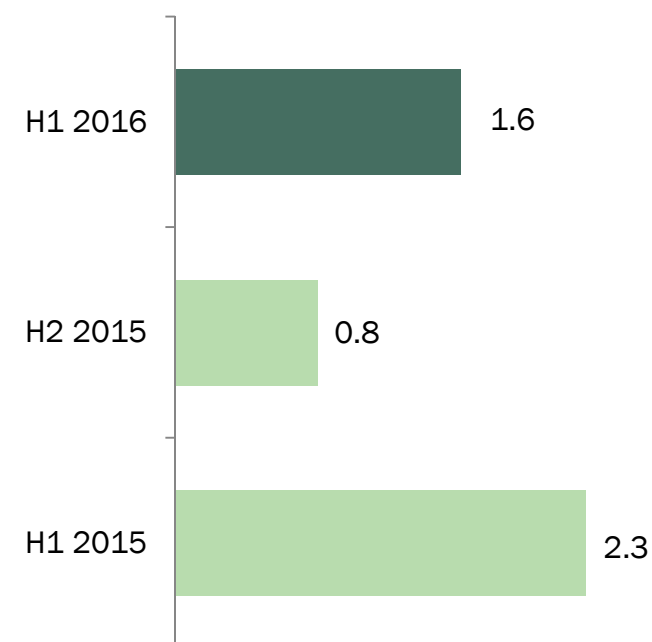
- Reduction in fees due to end of investment period of NEF II from April 2015

OPERATING COSTS (£m)



- Lower bonus accrual in line with earnings

OPERATING EARNINGS (£m)

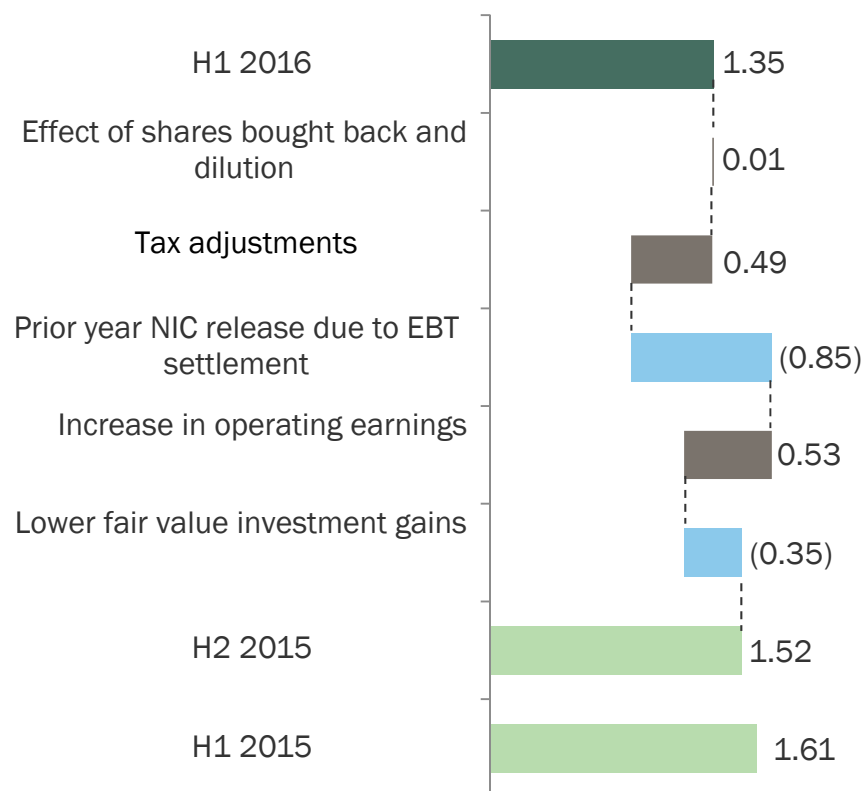


- Operating margin 17% (FY 15: 16 %)

Financial highlights (2)

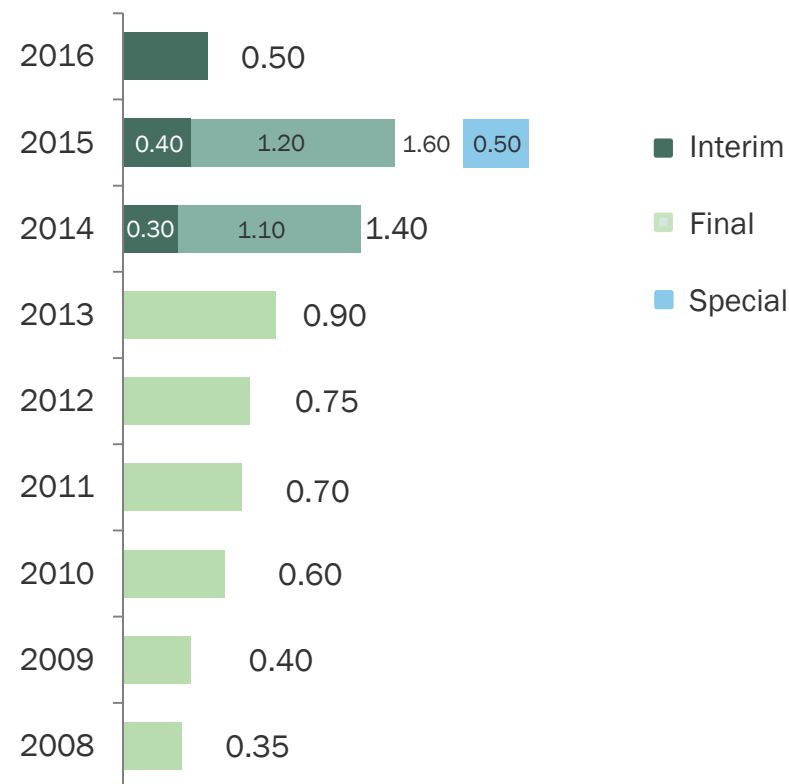
Earnings and dividends

DILUTED EPS (p)



- £0.4m investment gain (H2 2015: £0.8m)

DIVIDEND (p)

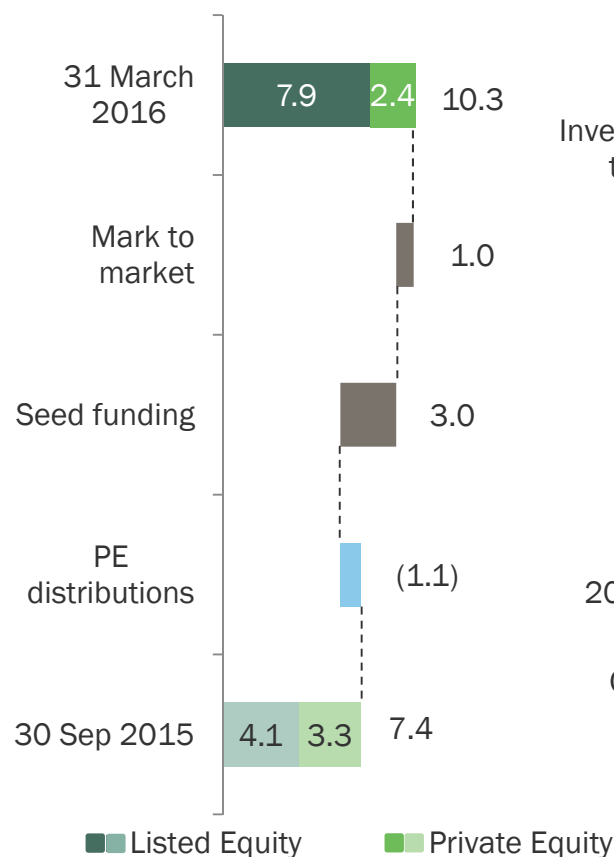


- 25% rise in half year dividend
- Interim dividend cover of 2.8x

Financial highlights (3)

Cash and investments

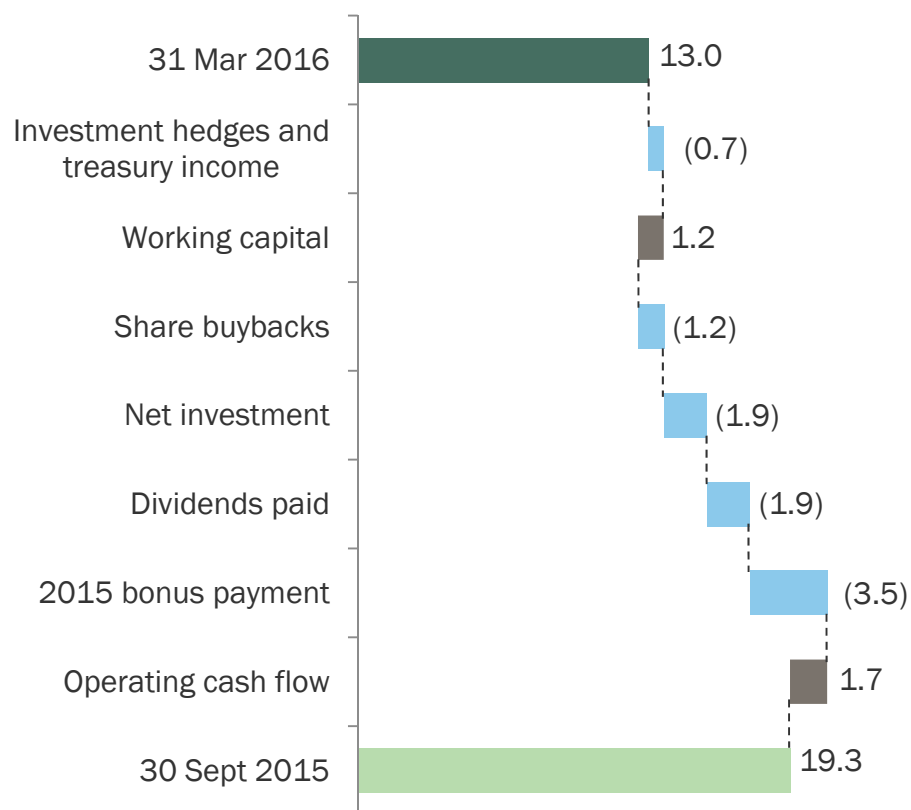
INVESTMENTS¹ (£m)



- Distributions: £1.1m from Private Equity following several exits
- Seed funding: £3m IEL

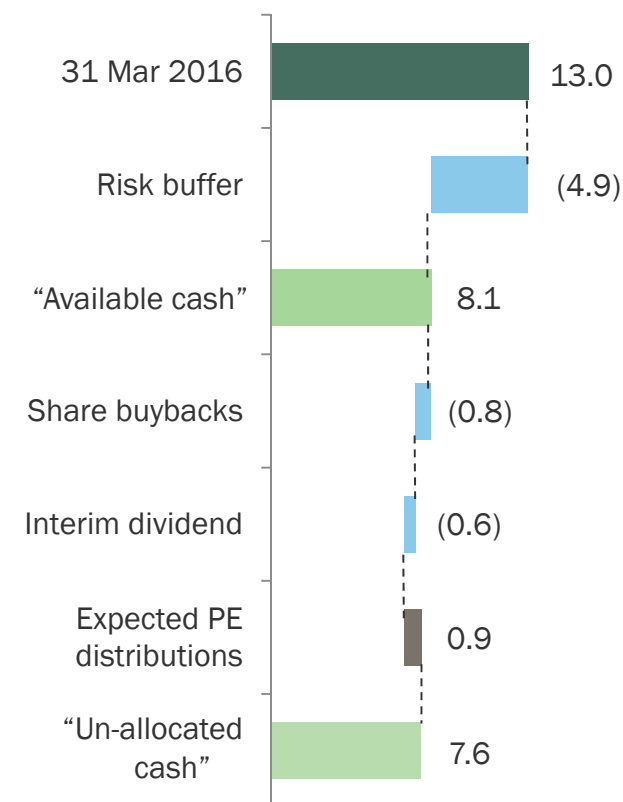
¹Excluding third party interest on consolidated funds

CASH RESERVES (£m)



- 2.9m IPX shares bought back during the Period

CASH RESERVE ANALYSIS (£m)

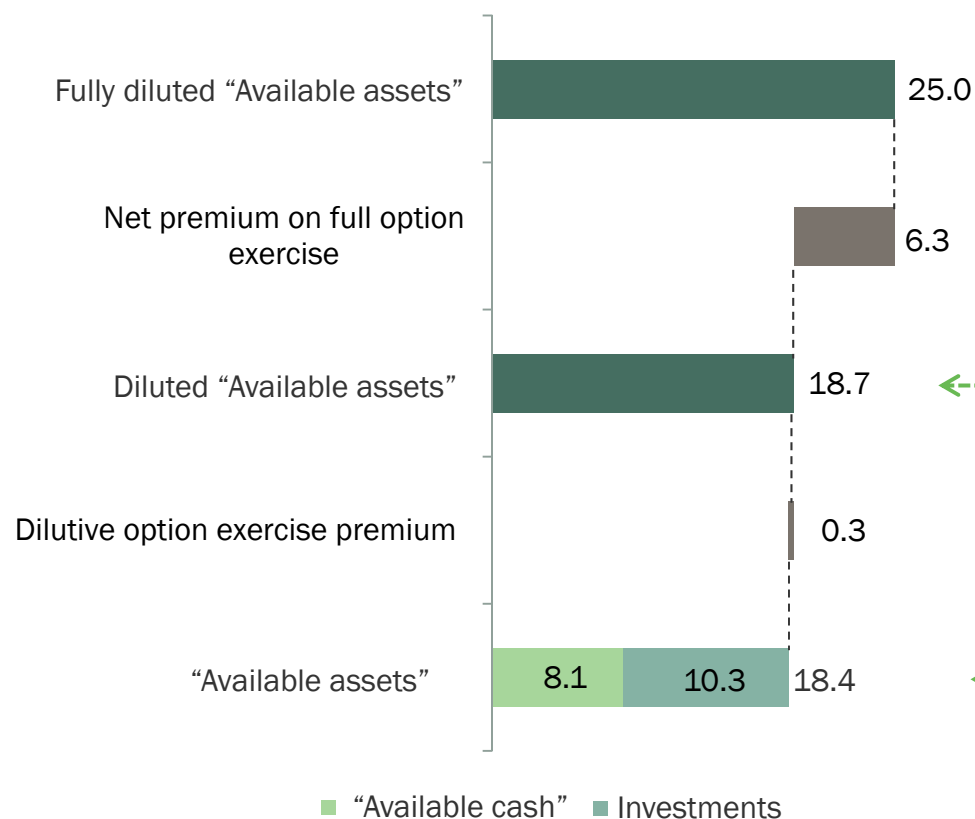


- "Un-allocated cash" held for further share buy-backs, seed investments, business development etc.

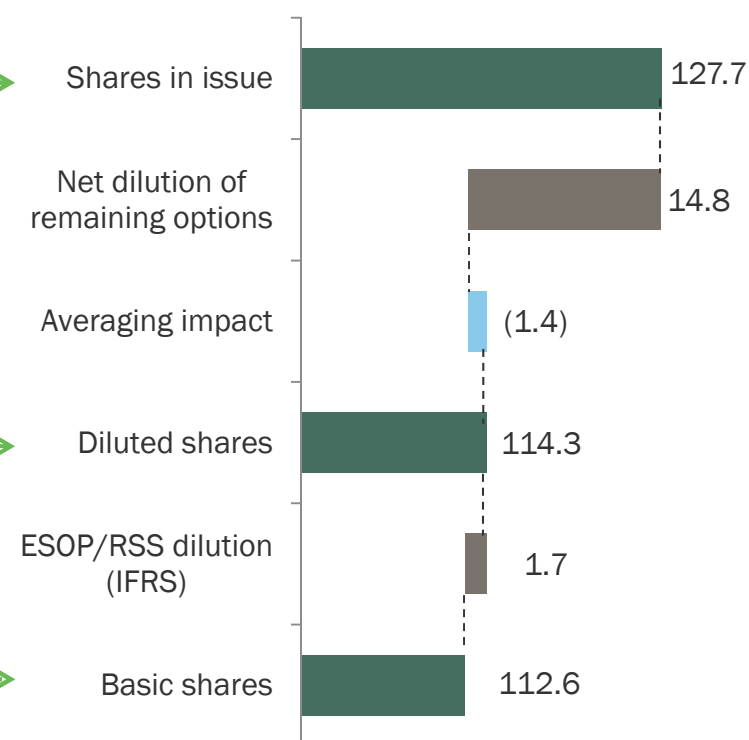
Financial highlights (4)

Balance sheet

CURRENT ASSETS (£m)



SHARE MANAGEMENT (m)



- "Available assets" per share 16.6p (112.6m shares)

- 2.9m shares bought back during the Period
- 18.6m equity awards granted to date
- PRP pool reduced by staff equity award costs
- 111.6m shares qualifying for a dividend

¹assume all ESOP options exercised

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
- Established platform in the US
- Proven third party partners

Building shareholder value

- Commitment to progressive dividend policy
- Earnings should rise as AUM expands

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.

Appendix

Income statement

	6 months ended March 2016	6 months ended Sept 2015	6 months ended March 2015	Year ended 2015
	£'000	£'000	£'000	£'000
Revenue	9,434	9,304	10,422	19,726
Operating costs	(7,871)	(8,474)	(8,142)	(16,616)
Operating earnings	1,563	830	2,280	3,110
Operating margin	16.6%	8.9%	21.9%	15.8%
Credits/(charges) related to legacy long term incentive schemes	86	1,447	(162)	1,285
Fair value (losses)/gains	357	750	(135)	615
Change in third party interest in consolidated funds	(48)	14	(115)	(101)
Investment income	101	155	73	228
Profit before taxation	2,059	3,196	1,941	5,137
Taxation	(508)	(1,438)	(66)	(1,504)
Profit for the period	1,551	1,758	1,875	3,633

Balance sheet

	31 Mar 2016 £'000	30 Sep 2015 £'000	31 Mar 2015 £'000
Goodwill and intangibles	1,736	1,754	1,720
Other non-current assets	161	201	195
	1,897	1,955	1,915
Cash and cash equivalents	13,498	19,517	12,756
Current asset investments	10,837	7,419	11,774
Other current assets	5,314	4,980	6,734
Total assets	31,546	33,871	33,179
Current liabilities	4,363	5,510	6,226
Non current liabilities	2,645	2,434	1,782
Net assets	24,538	25,927	25,171
Shareholders' equity	24,538	25,927	25,171

Note: The Balance Sheet includes effects due to the consolidation of investments.
Cash reserves not including consolidated funds are £13.0m (Mar 2015: £12.5m, 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	2.6	95%	
Leaders	Impax Environmental Leaders	3.3	86%	
Global equities	Impax Global Equities Opportunities Fund	2.0	99%	
Private equity	Impax New Energy Investors LP "INEI LP"	0.6	4%	Commitment: €3.8m, €0.2m outstanding
	Impax New Energy Investors II LP	1.5	1%	Commitment: €3.3m, €1.1m outstanding
Legacy	Ensyn	0.3		
		10.3		

¹ Fair value at 31 March 2016