

Impax Asset Management Group plc

Interim results for the six months
to 31 March 2017

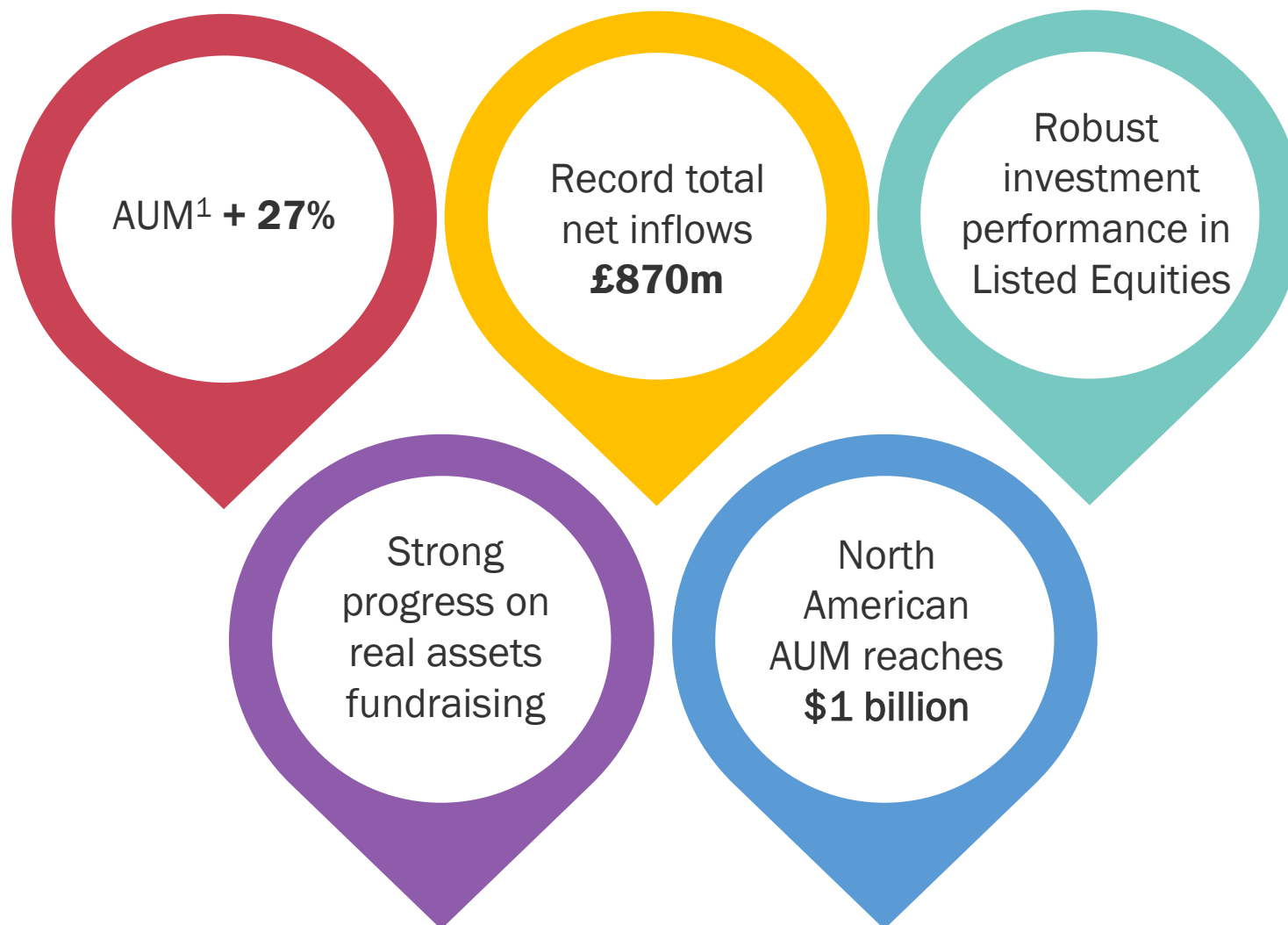
Agenda

- Part 1: Business update
- Part 2: Financial update
- Part 3: Background on Impax



Part 1: H1 2017 business highlights

H1 milestones



¹As at 31 March 2017. Assets under advice represent ~4% of total AUM.

Financial performance

FINANCIAL PERFORMANCE	H1 2017	H2 2016	H1 2016
Assets under management ¹	£5.7bn	£4.5bn	£3.6bn
Revenue	£13.9m	£11.7m	£9.4m
Operating earnings ²	£3.2m	£2.6m	£1.6m
Profit before tax	£2.4m	£3.1m	£2.1m
Diluted earnings per share ³	2.11p	2.27p	1.35p
Shareholders' equity	£28.4m	£26.7m	£24.5m
Dividend	0.7p	1.6p	0.5p

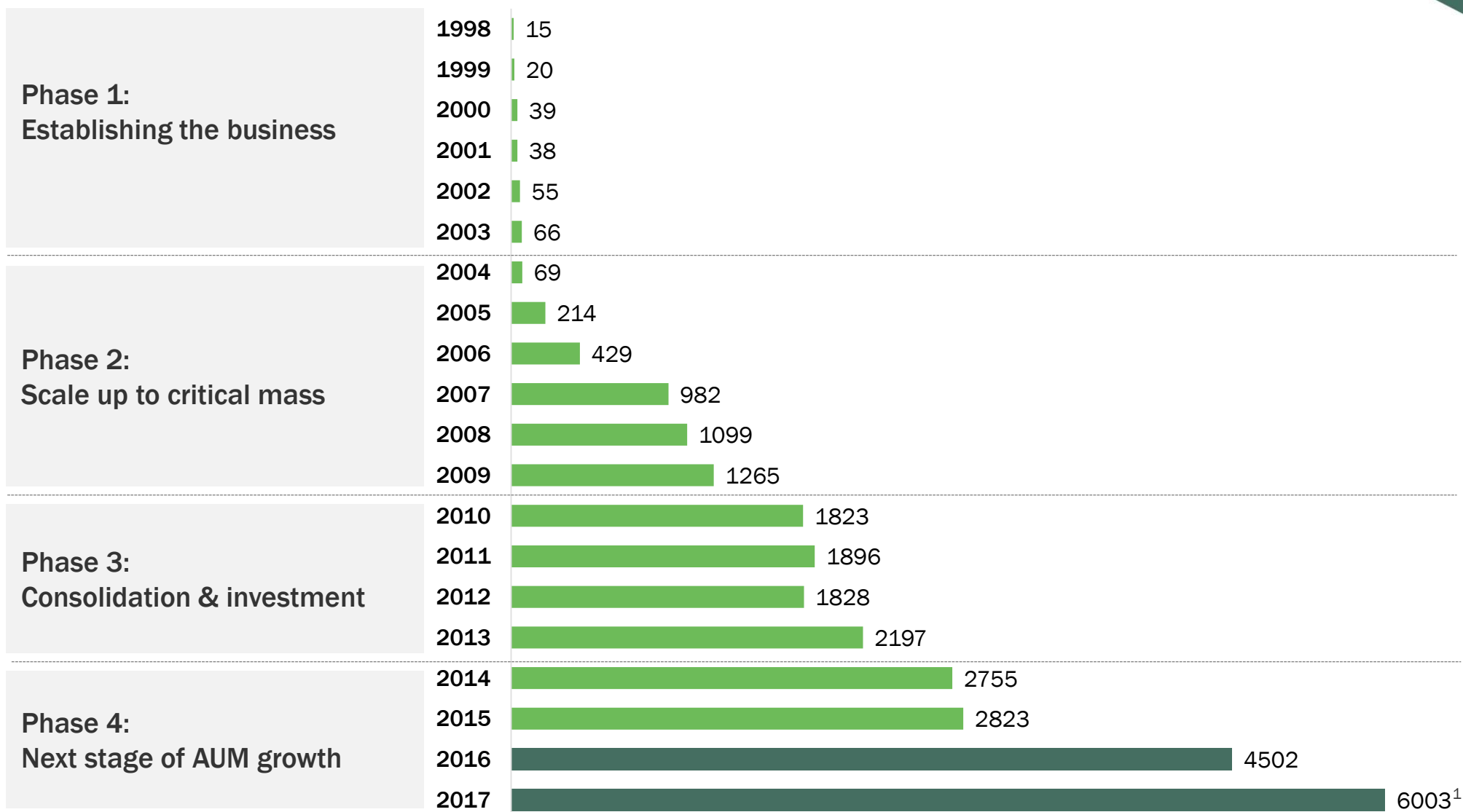
¹Assets under management and advice. Assets under advice represent ~4% of total AUM.

²Revenue less operating costs.

³For 2013-2014 adjusted to exclude the IFRS 2 charge for share schemes satisfied by primary shares, and to include the full effect of share buybacks and the dilutive effect of option schemes.

Solid track record of growth

AUM: £m



¹As at 30 April 2017. £5.7bn as at 31 March 2017.

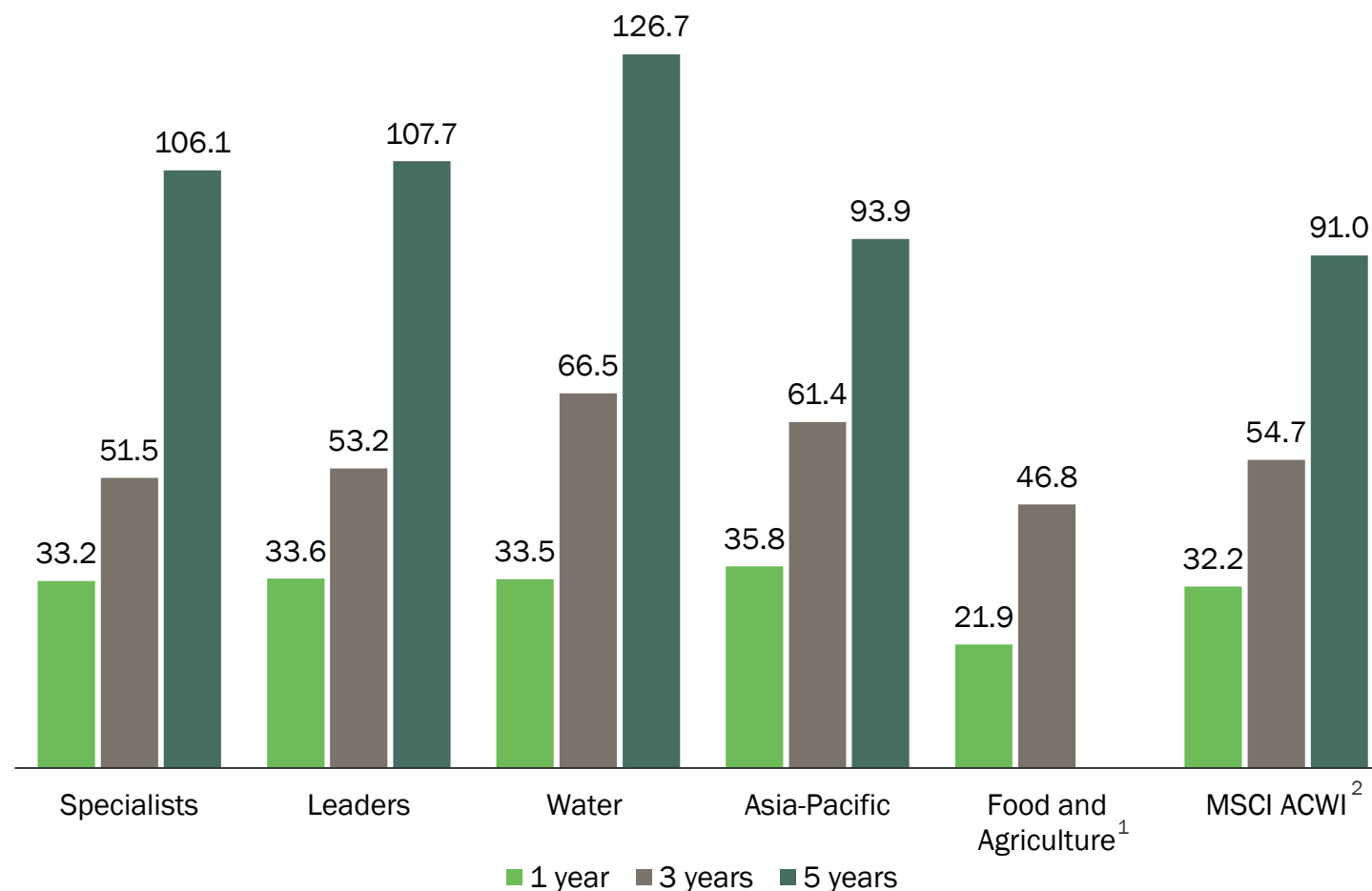
Trump administration: reasons to be cheerful



Source: iStock and Shutterstock.

Investment update: Listed Equities (%)

- Robust investment performance from all strategies
- Leaders, Water and Asia top performers over the Period
- Under-performed MSCI ACWI in calendar Q4 2016 due to no holdings in financials and energy



Source: Factset, as at 31 March 2017. Gross cumulative performance in GBP. ¹Food and Agriculture strategy launched December 2012 so five year data is not available. ²MSCI ACWI is shown net.

Investment update: Real Assets

Renewable energy infrastructure

NEF II: good progress with sale of 102MW of generating capacity in Ireland, France and Italy

- Expect full exit and delivery of attractive returns to investors in 2018

NEF III: second close achieved

- First close on 30 November at €149m
- Total commitments now €185m
- EIB agreed up to a further €31m depending on final fund size
- Plans for first investments at an advanced stage

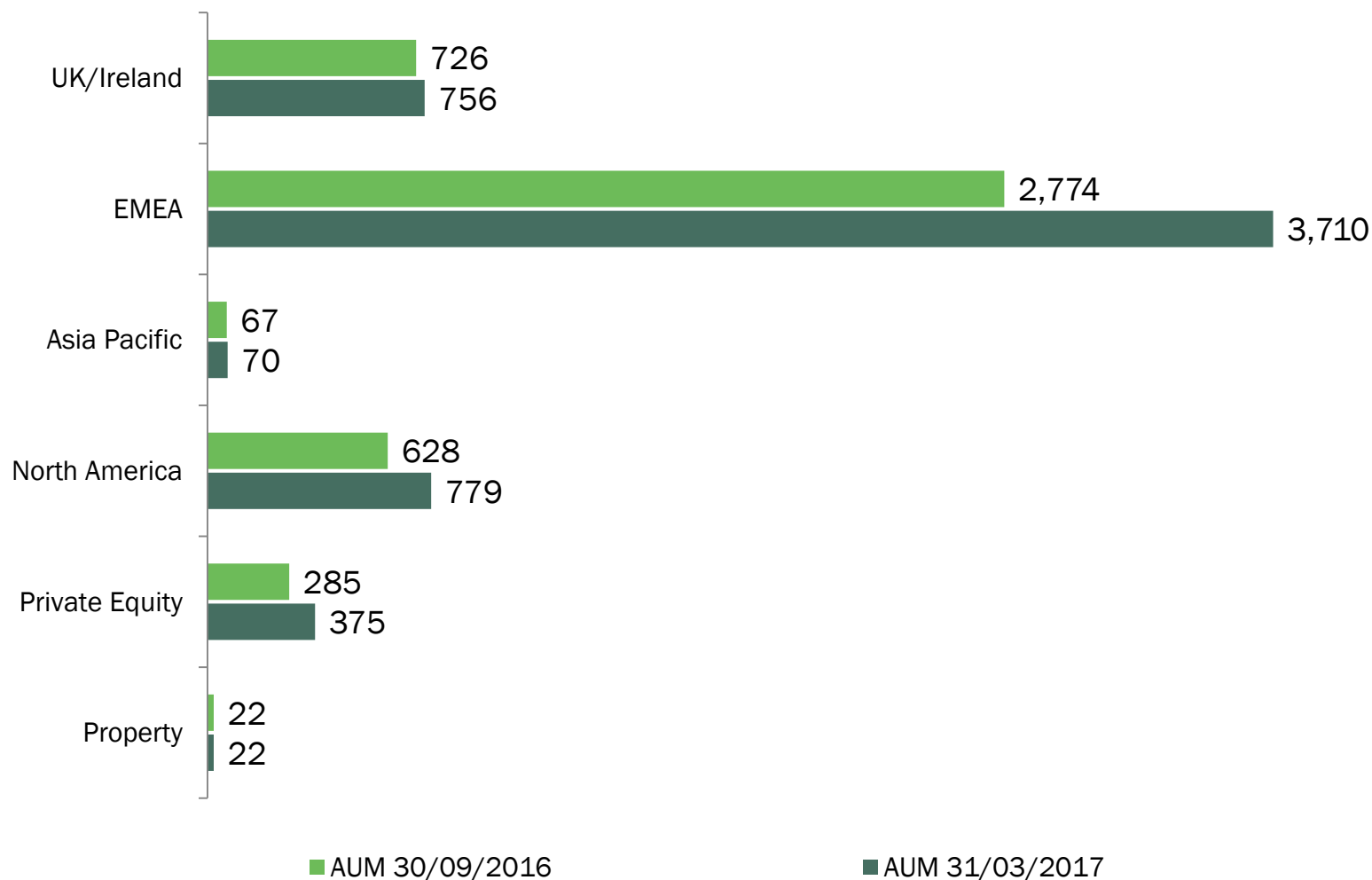
Sustainable Property

- Manchester asset almost fully let
- Discussions with cornerstone investors on-going



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
Absalon Capital

BNP Paribas Investment Partners
DIAM

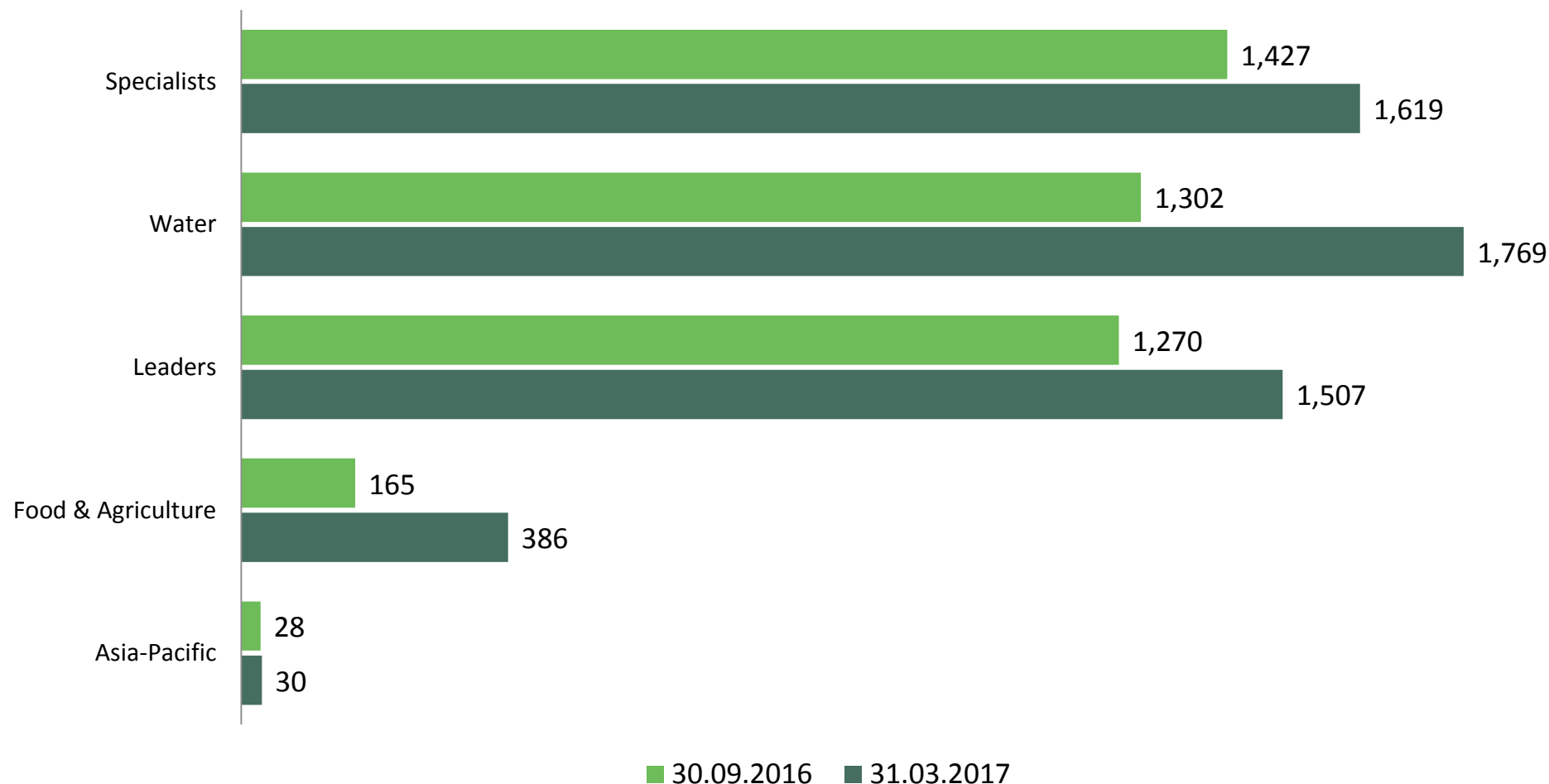
Delaware private fund
PAX World
NEI Investments
Desjardins

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

Impax Climate Property Fund

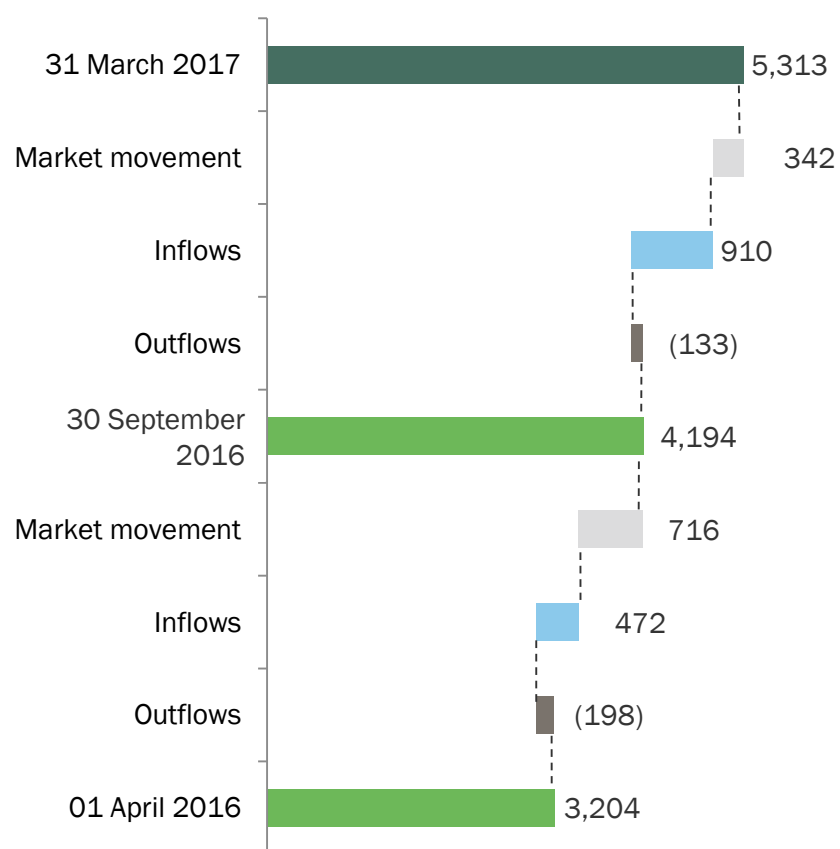
Listed Equities: significant growth in most strategies

£ million

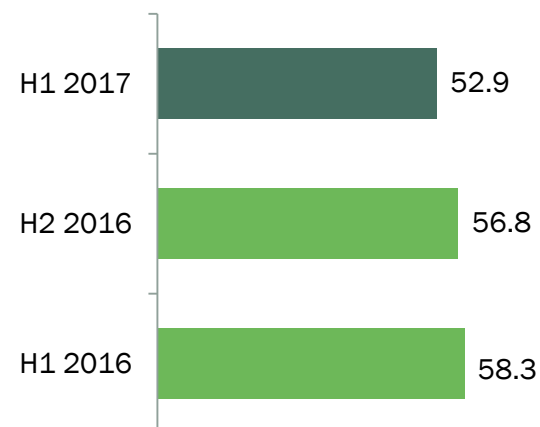


Breakdown of AUM increase (listed equities)

LISTED EQUITY FUNDS (£m)



WEIGHTED AVERAGE REVENUE MARGIN¹ (bps)

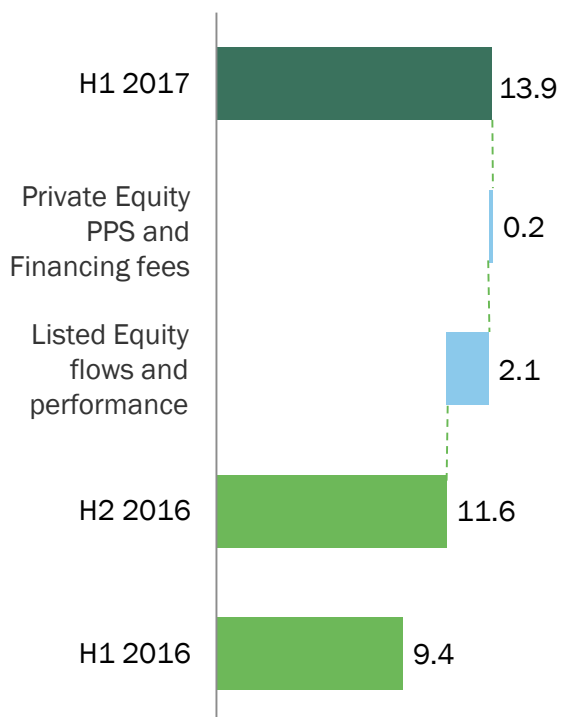


¹ All Funds.

Part 2: H1 2017 financial highlights

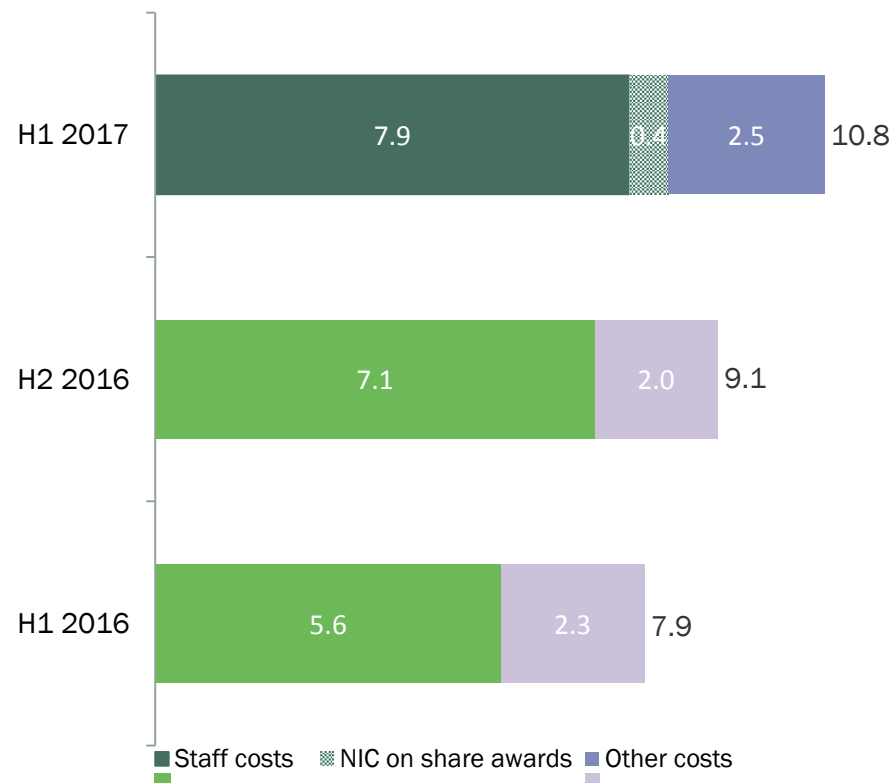
Financial highlights: Operating performance

REVENUE (£m)



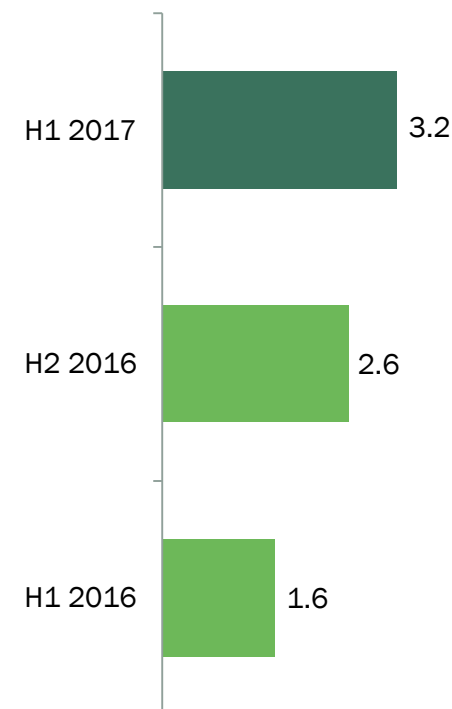
- Listed Equities; strong performance and inflows
- Private Equity; increased due to third Fund €185m commitments, offset by reduction in financing fees
- March 2017 revenue run rate £30.6m

OPERATING COSTS (£m)



- Higher PRP charge due to higher earnings
- Increased NIC charge on outstanding share awards, more than offset by corresponding tax credits

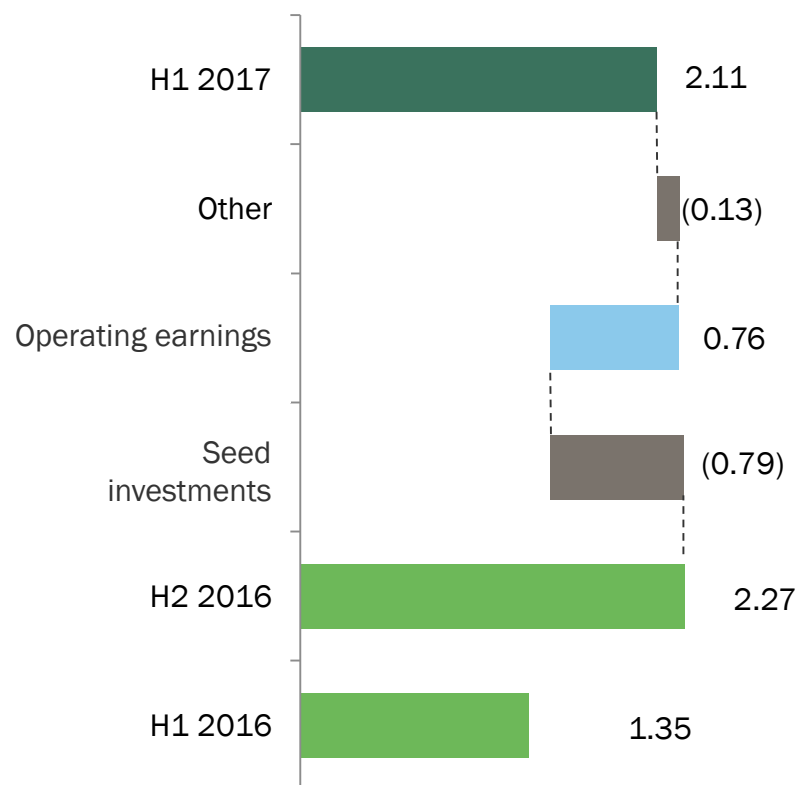
OPERATING EARNINGS (£m)



- Operating margin 22.8%, March 2017 run rate margin 27.4% (H2 16: 22.3%)
- Without NIC charge: operating earnings £3.6m; operating margin 25.9%

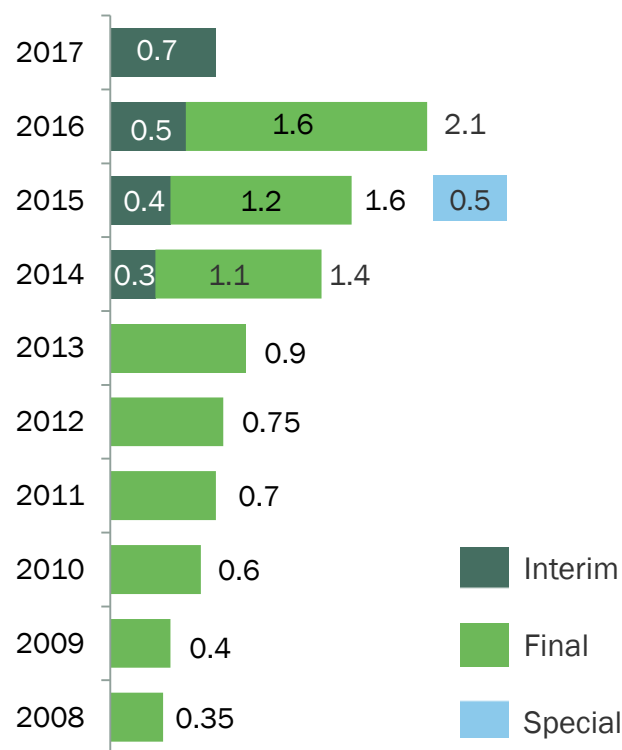
Financial highlights (2): Earnings and dividend

DILUTED EPS (p)



- Net seed investment hedge losses £0.5m (H2 2016: £0.9m gain).

DIVIDEND (p)



- 40% increase in interim dividend
- Dividend cover of 3.1x
- 116.0m shares qualifying for a dividend

Financial highlights (3): Cash and investments

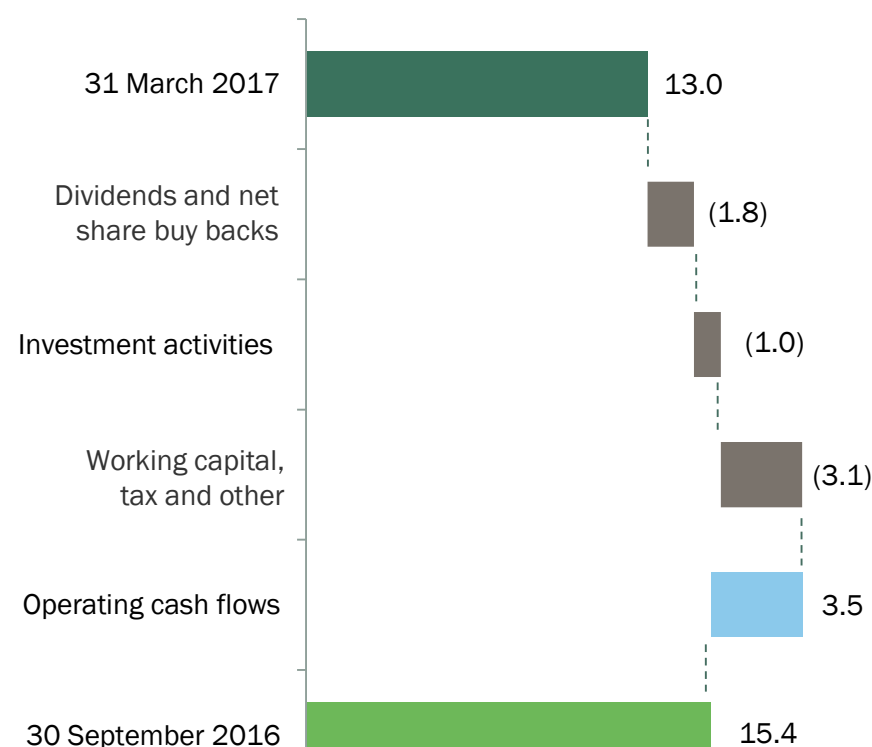
INVESTMENTS¹ (£m)



- €4m commitment made to third Private Equity fund
- Redemption of £3.1m investment in Food and Agriculture Fund in May 2017

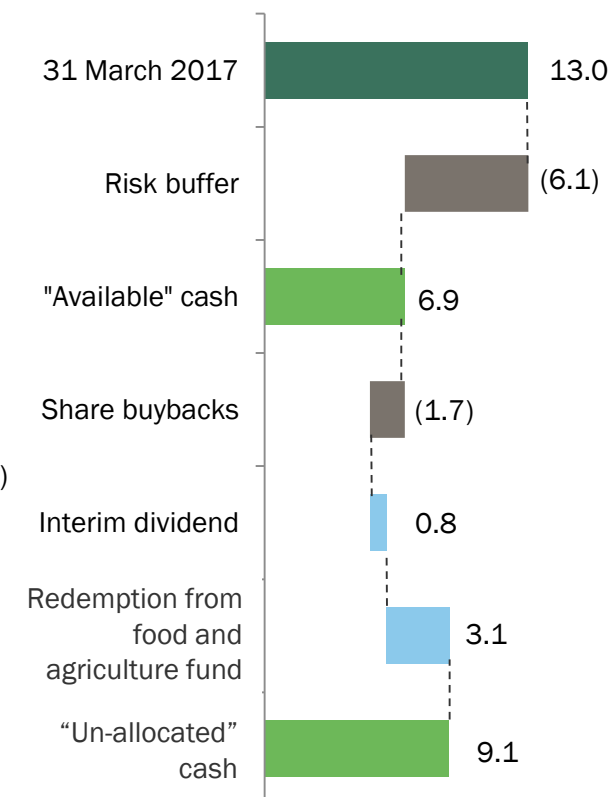
¹Excluding third party interest on consolidated funds.

CASH RESERVES (£m)



- 1.5m IPX shares bought back during the Period

CASH RESERVE ANALYSIS (£m)

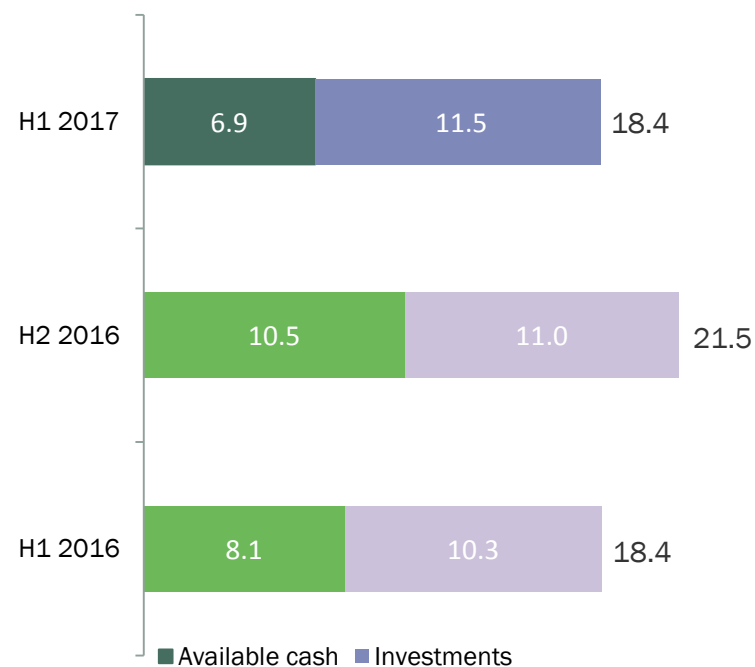


- "Un-allocated cash" held for further share buy-backs, seed investments, business development etc.

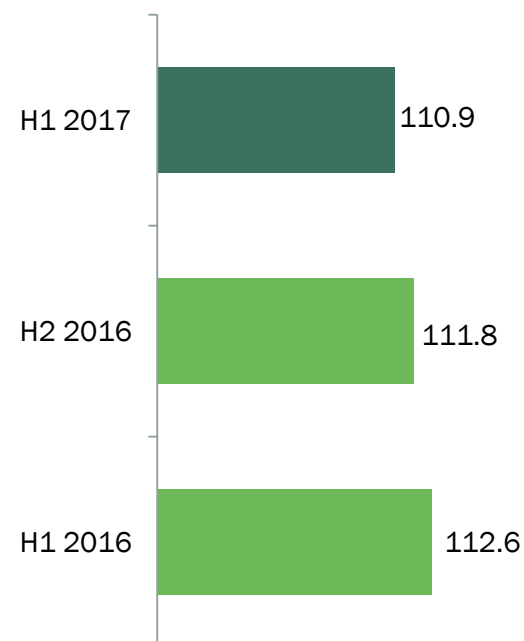
Financial highlights (4): Balance sheet

Balance sheet

AVAILABLE ASSETS (£m)



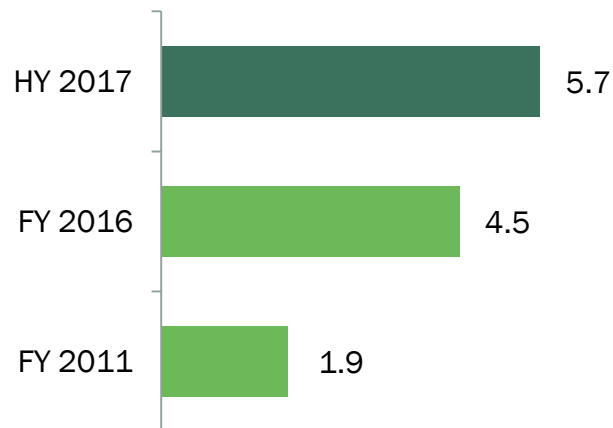
BASIC SHARES (m)



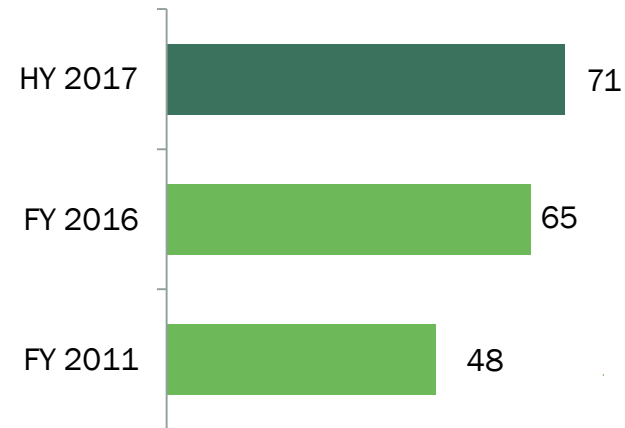
- “Available Assets” per share around 16.6p

Long term trends: strong cost control

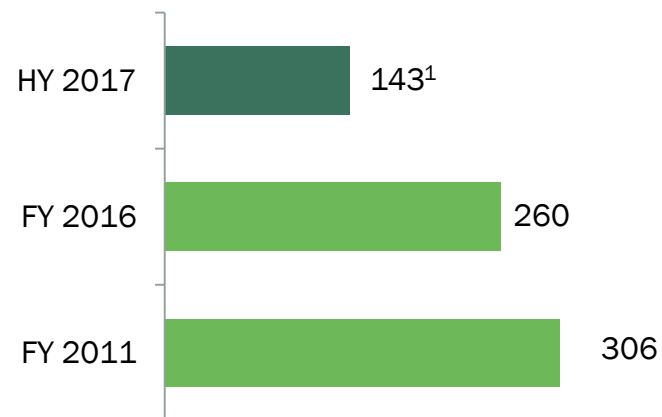
AUM (£bn)



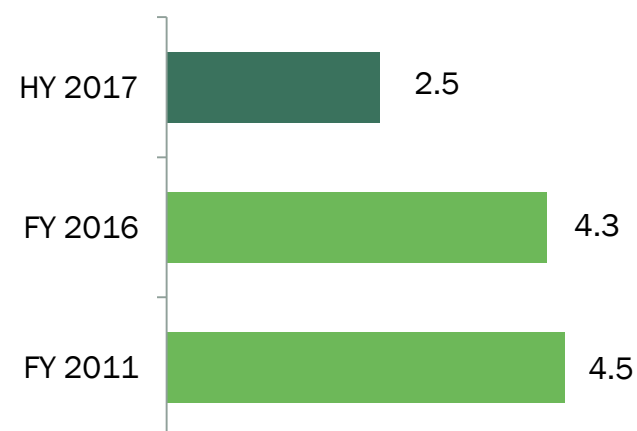
AVERAGE NUMBER OF EMPLOYEES



TOTAL OPERATING COSTS PER EMPLOYEE (£'000)



NON STAFF COSTS (£m)



¹Excludes costs relating to NIC accrual on share awards.

Milestones and prospects

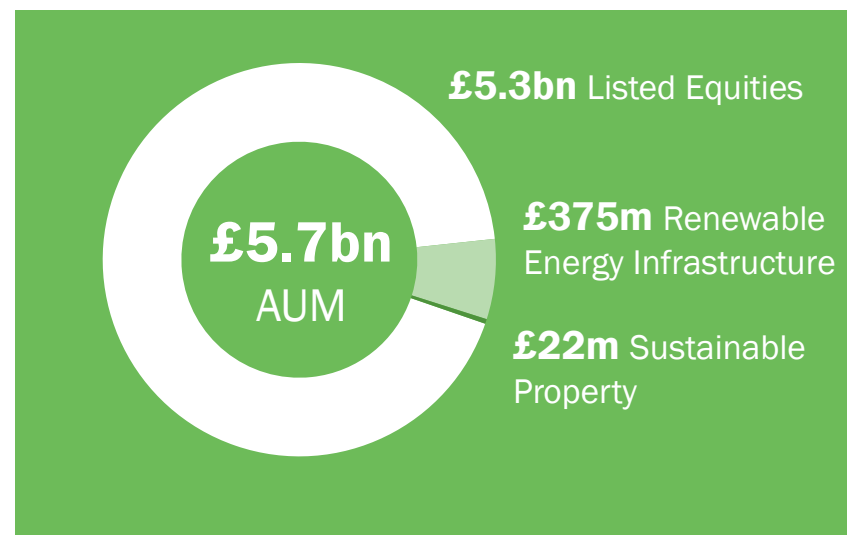


Part 3: Background on Impax Asset Management

Impax is a global leader in Environmental Markets investing

- Dedicated to environmental markets since 1998
- Global institutional client base
- Established 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



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



¹As at 31 March 2017. Assets under advice represent ~4% of total AUM.

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

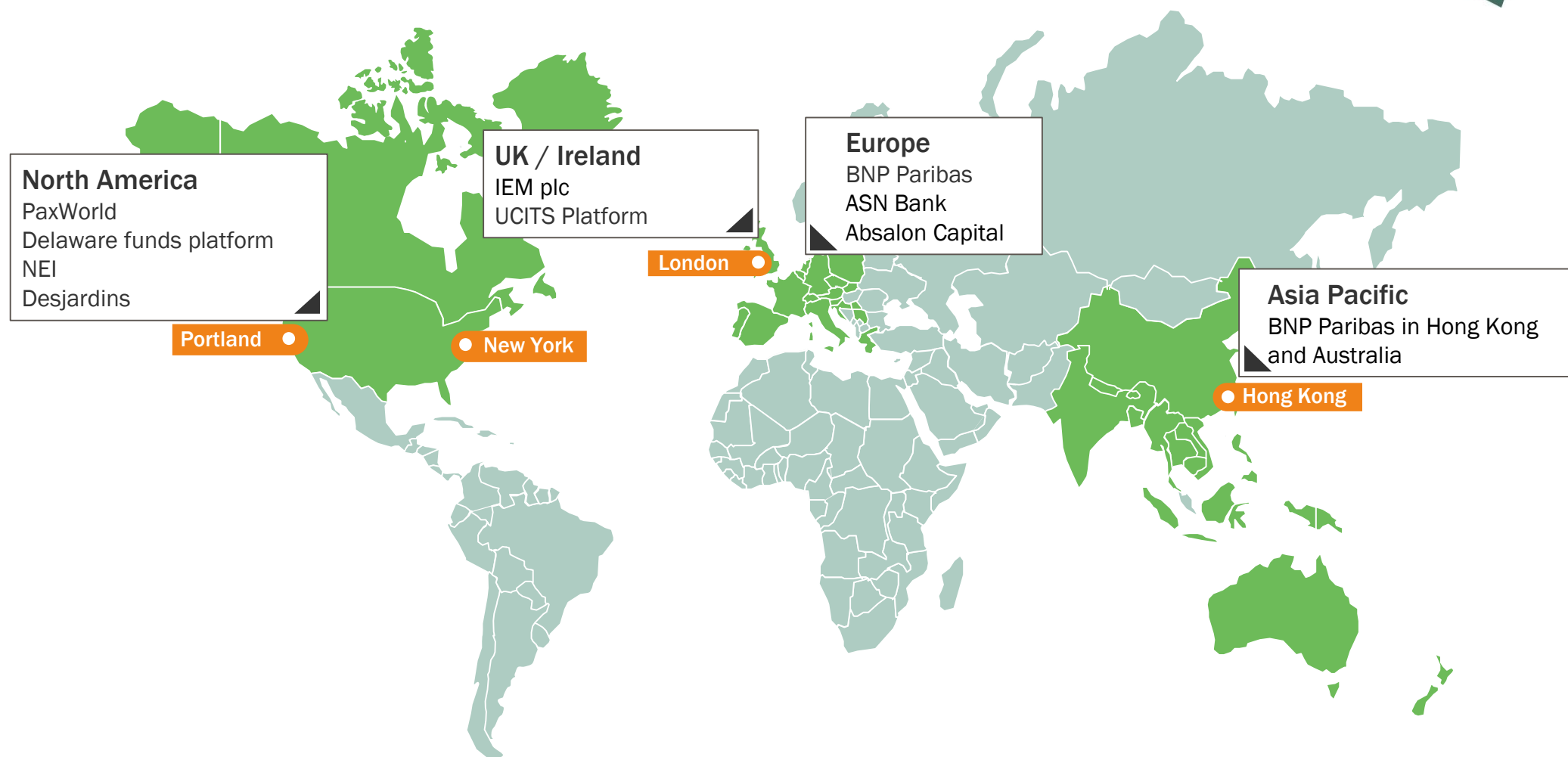
Scalable business model

Institutional scale/quality

IMPAX WELL POSITIONED

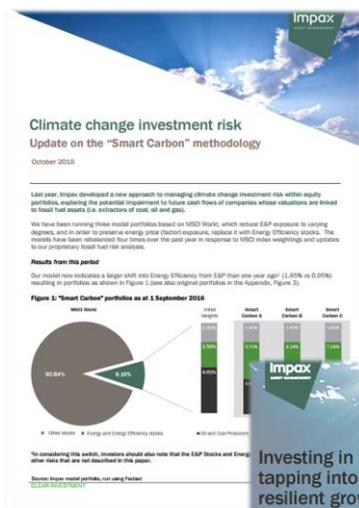


Our offices and distribution partners



Impax offices

History of thought leadership



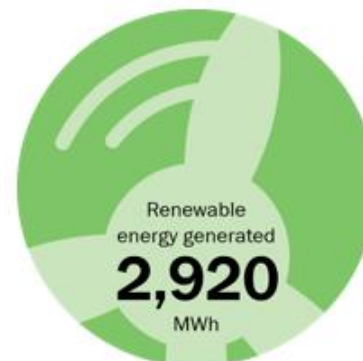
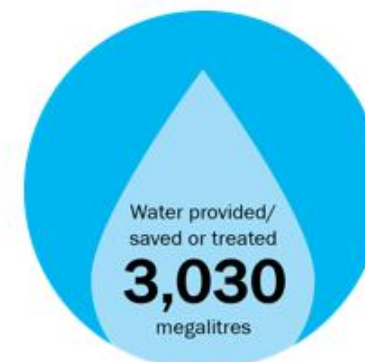
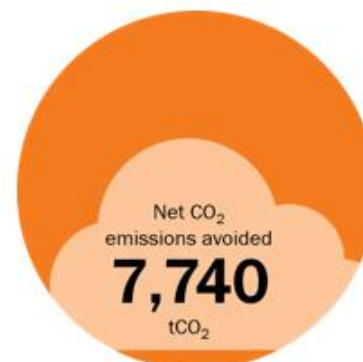
**Investing in water:
tapping into a source of
resilient growth**

November 2016

1. Introduction
2. Reinforcing the investment hypothesis
3. Debunking the myths around investing in water
4. Water users and water stress
5. The changing regulatory environment
6. Investing in water solutions providers
7. Evolving technologies
8. Outlook



Impax Specialists Strategy: Environmental impact of £10m investment



Find out more at www.impaxam.com

Impact of £10m invested in the strategy for one year. Based on most recently reported annual environmental data for holdings in the Impax Specialists strategy as at 31 December 2016. Methodology has been assured by Ernst & Young LLP. For further explanation of our impact methodology (which is based on equity value) please see <http://www.impaxam.com/about-us/impact-investing>

Powerful drivers for environmental products and services

Increasing population

Rising living standards

Infrastructure deficit

Finite natural resources

Pollution



Clean energy



Water



Sustainable food,
Agriculture & Forestry



Waste/Resource
recovery



Catalysts for investment

UN CLIMATE CHANGE CONFERENCE



AIR POLLUTION



Source: iStock and Shutterstock. COP21 logo: <http://www.cop21.gouv.fr/en/logos/>

CLEAR INVESTMENT

CHINA 13TH FIVE YEAR PLAN



FOOD SCANDAL



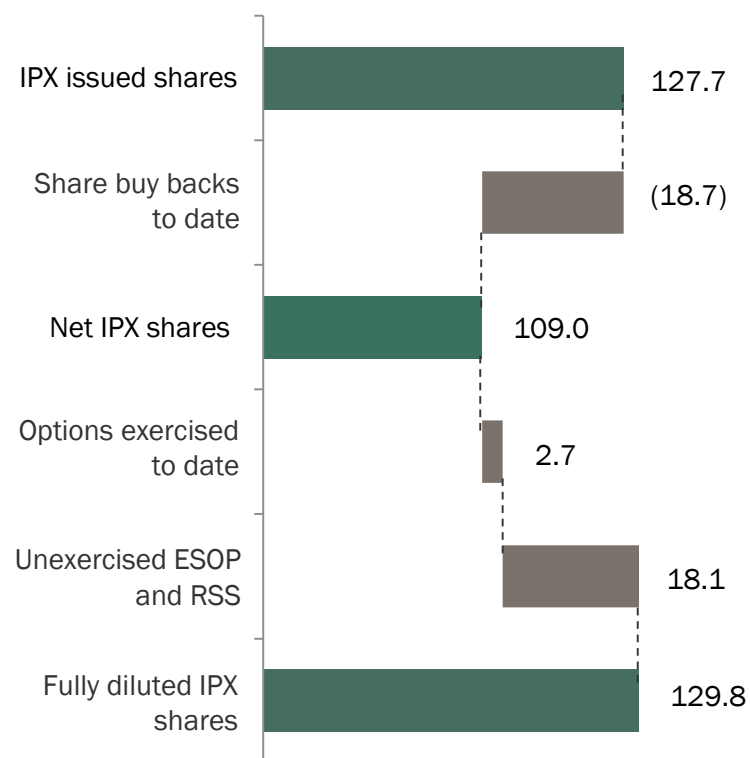
Important information

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Appendix

IPX shareholder register: significant staff ownership

FULLY DILUTED IPX SHARES (m)



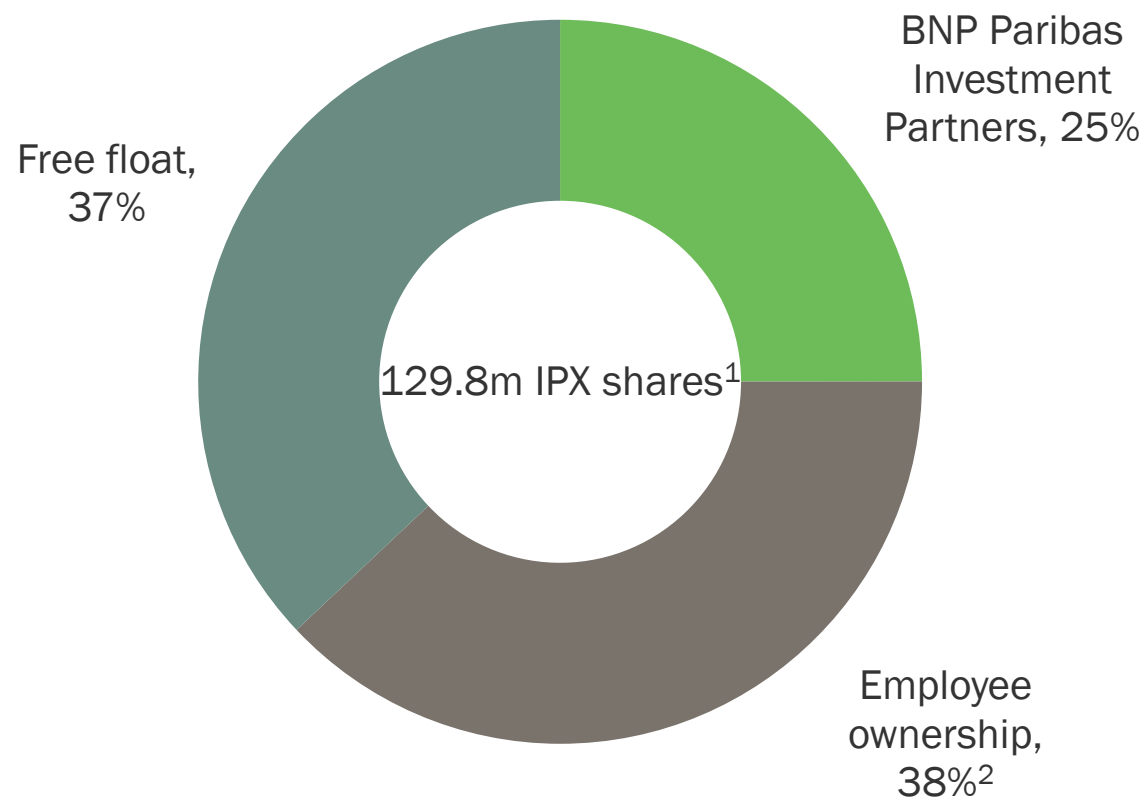
EQUITY AWARDS OUTSTANDING

Awards	Number outstanding	Vesting date ¹	End of exercise period ¹
2011 ESOP	2,110,000	Vested	2017
2012 ESOP	2,200,000	Vested	2018
2013 ESOP	2,066,000	Vested	2019
2014 ESOP	3,154,000	2017	2020
2015 ESOP	1,100,000	2017	2020
2014 RSS	750,000	2017/18/19	
2015 RSS	4,140,000	2018/19/20	
2017 RSS	2,550,000	2019/20/21	
Total ESOP and RSS	18,070,000		
2010 LTIP	2,969,500 ²	Vested	2020

¹Restricted shares vest in three equal tranches in each of the years. Their vesting is subject to continued service of the employee at the vesting date. All dates are as at 31 December.

²LTIP awards have been covered by shares issued.

Significant staff ownership



¹Fully diluted number of shares. ²Staff ownership was 38% as at 30 September 2016. Includes 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.

Income statement

	Six months ended March 2017 £'000	Six months ended September 2016 £'000	Six months ended March 2016 £'000
Revenue	13,948	11,633	9,434
Operating costs	(10,774)	(9,044)	(7,871)
Operating earnings	3,174	2,589	1,563
Operating margin	23%	22%	17%
Credits/(charges) related to legacy long term incentive schemes	(242)	(59)	86
Fair value (losses)/gains	(538)	632	357
Change in third party interest in consolidated funds	(163)	(240)	(48)
Investment income	213	319	101
Profit before taxation	2,444	3,140	2,059
Taxation	77	(514)	(508)
Profit for the period	2,521	2,626	1,551

Balance sheet

	31 March 2017 £'000	30 September 2016 £'000	31 March 2016 £'000
Goodwill and intangibles	1,681	1,742	1,681
Other non-current assets	159	122	216
	1,840	1,864	1,897
Cash and cash equivalents	13,287	15,695	13,244
Current asset investments	15,550	12,811	10,837
Other current assets	7,641	7,309	5,568
Total assets	36,478	37,679	31,546
Current liabilities	9,528	9,998	4,363
Non current liabilities	425	936	2,645
Net assets	28,365	26,745	24,538
Shareholders' equity	28,365	26,745	24,538

Note: The Balance Sheet includes effects due to the consolidation of investments.
Cash reserves not including consolidated funds are £13.0m (Sept 2016: £15.4m, March 2016: £13.0m).

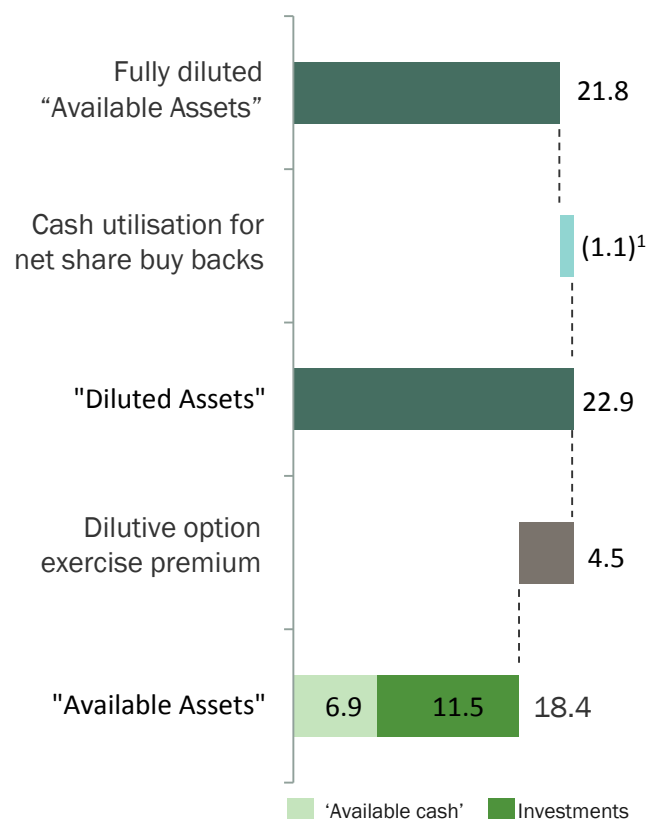
Impax investments

Theme	Principal funds/investee	Investments ¹ (£m)	% of Fund AUM	Comments
Food and agriculture	Impax Food and Agriculture Fund	3.1	95%	
Leaders	Impax Environmental Leaders	4.3	51%	
Global equities	Impax Global Equities Opportunities Fund	2.5	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
Legacy	Ensyn	0.5		
		11.5		

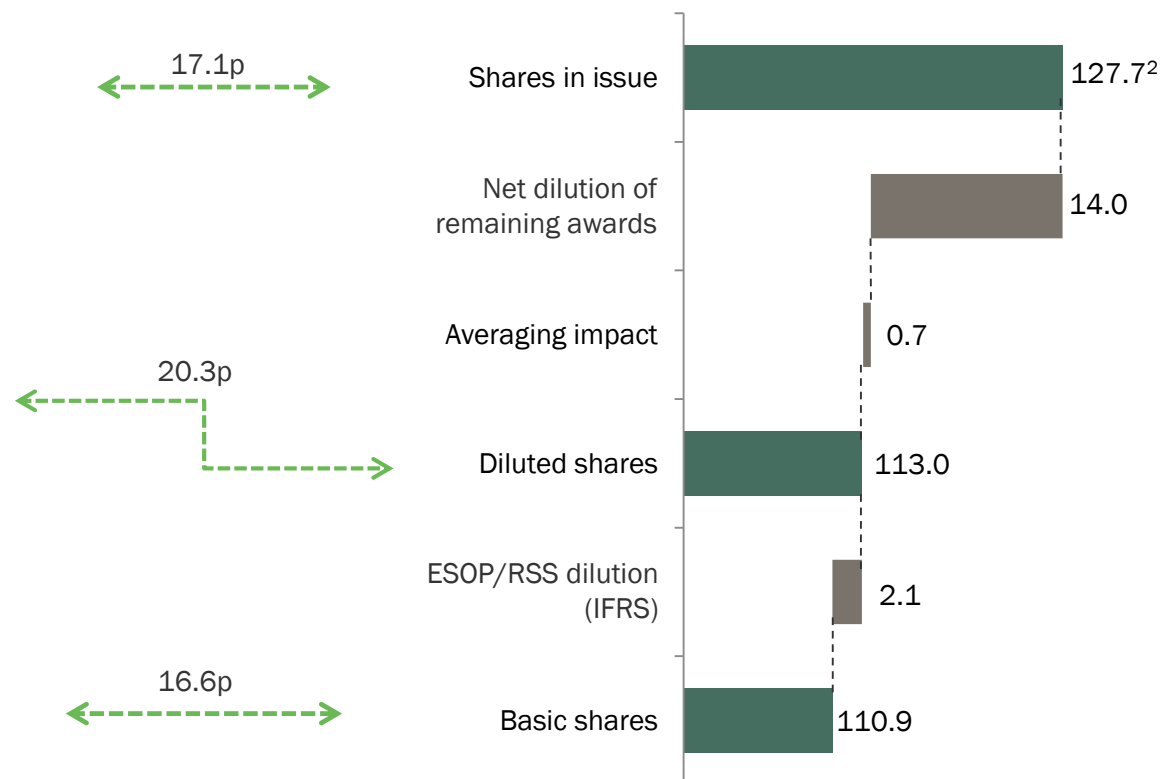
¹ Fair value at 31 March 2017.

Balance sheet

AVAILABLE ASSETS (£m)



SHARE MANAGEMENT (m)



- All ESOP options in the money

¹Assume all ESOP options exercised and satisfied by share buy backs.

²Would be 129.8m shares in the absence of further share buy backs.

- 1.5m shares bought back and 3.7m options exercised during the period
- 10.5m ESOP awards and 7.4m RSS granted and unexercised
- PRP pool reduced by staff equity award costs
- 116.0m shares qualifying for a dividend