

GQG Partners

ASX Earnings Call

16 February 2024

ASX Limited
 ASX Market Announcements Office Exchange
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GQG Partners Inc. (ARBN 651 066 330)

Full year results for the period ended 31 December 2023

SELECT HIGHLIGHTS

- Net flows of US\$10.0 billion¹ for the full year ended 2023
- Funds under management[†] as at 31 December 2023 of US\$120.6 billion, an increase of 37.0% from the end of 2022
- Solid flows in 2024 with US\$2.9 billion² raised as at 14 February 2024
- Net revenue of US\$517.6 million, an increase of 18.5% from 2022 results
- Net operating income of US\$384.4 million, an increase of 15.7% from 2022 results
- Diluted earnings per share increased 19.0% from US\$0.08024 in 2022 to US\$0.09552 in 2023 (US\$0.08 and US\$0.10, respectively, rounded for financial statement disclosure purposes)
- Board declares 4Q 2023 final dividend of US\$0.0260 per share, a 90% payout ratio of distributable earnings

RESULTS SUMMARY

	FY 2023	FY 2022	Change
Closing FUM [†] (US\$ billions)	120.6	88.0	37.0%
Average FUM [†] (US\$ billions)	101.9	88.8	14.7%
Net revenue (US\$ millions)	517.6	436.8	18.5%
Net operating income (US\$ millions)	384.4	332.1	15.7%
Net income after tax (US\$ millions)	282.5	237.9	18.7%
Distributable earnings (US\$ millions)	297.9	253.8	17.4%
Diluted earnings per share (US cents per share)	0.09552	0.08024	19.0%
Dividends per share – declared (US cents per share) ³	0.0910	0.0776	17.3%

¹Net flow information may differ from net flow information reported during the fiscal year, due to factors such as estimates being finalised.

[†]Funds under management (FUM) represent both discretionary and non-discretionary funds, as well as funds under management that are both fee paying and non-fee paying and are rounded to the nearest US\$100 million. Amounts have not been audited. All FUM are managed or advised by GQG Partners LLC, a wholly owned subsidiary of GQG Partners Inc., a Delaware corporation that is listed on the Australian Securities Exchange.

²Includes estimates. Actual results may differ from any estimates presented here.

³Dividend per share – declared represents the dividends declared on earnings of the relevant period.

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“We are pleased to announce our financial results. For the year ended December 31, 2023, GQG experienced net inflows of US\$10.0 billion¹, which I believe stands out among our listed peers. We ended the year with US\$120.6 billion in funds under management[†], which reflects both net flows and investment performance, an increase of 37.0% from the end of 2022,” said Tim Carver, CEO and Executive Director of GQG Partners.

“The growth in FUM reflects strong performance from our investment team and another great effort from our business team. The increase in FUM led to Net revenue growth of 18.5% to US\$517.6 million during 2023. Net operating income increased 15.7% to US\$384.4 million during the same period, reflecting an increase in average funds under management partially offset by an increase in expenses as GQG continues to invest in talent and overall business activities.”

“Our financial result is driven in large part by our investment performance over the long-term. As at the end of December 2023, our strategies continued to provide solid long-term performance as compared to their benchmarks, as detailed in the table below, which we believe provides the underpinnings for continued business success.”

GQG PARTNERS STRATEGY COMPOSITES TOTAL RETURN PERFORMANCE

AS AT 31 DECEMBER 2023

GQG PARTNERS GLOBAL EQUITY STRATEGY	
TOTAL RETURNS SUMMARY	5 YRS
Composite net of fees %	14.20
MSCI ACWI Index (Net) %	11.72
GQG PARTNERS EMERGING MARKETS EQUITY STRATEGY	
TOTAL RETURNS SUMMARY	5 YRS
Composite net of fees %	10.82
MSCI Emerging Markets Index (Net) %	3.68

GQG PARTNERS INTERNATIONAL EQUITY STRATEGY	
TOTAL RETURNS SUMMARY	5 YRS
Composite net of fees %	12.73
MSCI ACWI ex USA Index (Net) %	7.08
GQG PARTNERS US EQUITY STRATEGY	
TOTAL RETURNS SUMMARY	5 YRS
Composite net of fees %	17.02
S&P 500® %	15.69

Represents composite performance for GQG Partners’ primary investment strategies calculated in US dollars. Returns are presented net of management fees and include the reinvestment of all income. Net performance is calculated after the deduction of actual trading expenses and other administrative fees (custody, legal, administration, audit and organisation fees). Net of fee returns also are calculated by deducting GQG’s stated annual fee for separately managed accounts, pro-rated on a quarterly basis. Net performance is net of applicable foreign withholding taxes. Performance presented does not include composite performance achieved prior to 1 June 2016. Returns for periods greater than one year are annualised. PAST PERFORMANCE MAY NOT BE INDICATIVE OF FUTURE RESULTS. The complete composite track records for the above strategies can be found in GQG Partners’ 2023 Full Year Earnings Presentation. The above information is provided for informational purposes and is not intended as an offer of any GQG products or services.

“We continue to offer what we believe are very attractive fees relative to our competition. Our weighted average management fee for the 12 months ended 31 December 2023 was 48.8 bps, which we believe to be very competitive. As a result, we may be less likely to face margin pressure in the future relative to peers with higher average management fees. In addition, more than 96% of our revenues last year were derived from asset-based fees, which we expect to exhibit more stability in periods of market volatility. Less than 4% of our revenues were derived from performance fees.”

“GQG continues to see solid business momentum in a variety of geographies and across channels. As at 31 January 2024, our FUM totaled US\$127.0 billion, which is a record high for our business, and we have experienced estimated net flows of US\$2.9 billion² for the 2024 year to date period through 14 February.”

“As I look forward into the rest of the year, I see strength in the key measures of health for our business. We see solid opportunities for growth in the years ahead and are energised to try to capture them. Thank you for your trust, and for joining us on the journey,” Mr. Carver concluded.

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QUARTERLY DIVIDEND

On 16 February 2024, the Company announced that the Board of Directors declared a quarterly interim dividend of US\$0.0260 per share / CHES Depository Interest for the quarter ended 31 December 2023.

Below is the timetable for the upcoming dividend (Australian Eastern Time):

Announcement Date	16 February 2024
Ex-Dividend Date	21 February 2024
Record Date	22 February 2024
Cash Payment Date	27 March 2024

In line with the capabilities of our share registry, the currency conversion rate from US dollars to Australian dollars for the dividend is expected to be released on or before 13 March 2024.

Find our Annual Report and more at our Results Centre:

<https://investors.gqgpartners.com/investor-centre/>

AUTHORISATION

Rajiv Jain, Co-Founder, Executive Chairman, and Chief Investment Officer, and Tim Carver, Co-Founder and Chief Executive Officer of GQG Partners, authorised this announcement being given to ASX.

ABOUT GQG PARTNERS INC.

GQG Partners Inc. is a global investment boutique focused on managing active equity portfolios and is headquartered in the United States. As at 31 January 2024, our group managed US\$127.0 billion for investors that include many large pension funds, sovereign funds, wealth management firms, and other financial institutions around the world. GQG is listed on the Australian Securities Exchange (ASX Code: GQG). Further information can be obtained from gqg.com.

CONTACTS

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