



MACQUARIE  
ACN 002 574 923

Macquarie Private Wealth

Snapshot

# Henderson Group

## Business Description

Henderson Group (HGG) is an international UK based fund manager since 2003. HGG provides access to a broad range of asset classes including equities, fixed income, property, hedge funds and private equity for its institutional, retail and high net worth clients. Henderson is one of Europe's largest investment managers, with £60,452 million assets under management (as at 31 March 2011); pro forma AUM as at 31 March, including Gartmore, £76,167 million and employs around 1,100 people worldwide.

## Strategy Analysis

HGG is focused on managing its businesses to maximise total shareholder return. The focus is on active asset management across a range of investment strategies in equities and fixed income, including hedge funds, as well as property and private capital. Capabilities are expected to increase through acquisition and a focus on specialist products and improved flexibility of the business. The principal financial measures of success are trends in margins and profits, rather than growth in assets under management. The geographic focus is on Europe, although there is a presence in other major global financial markets such as North America. In order to expand, there is a specific focus on: delivering improved investment performance; developing a sustainable culture to attract and retain the best people; developing innovative specialist products and rapidly bring them to market; and maintaining highly coordinated marketing, distribution and client-servicing activities across all channels. Henderson Group reported a net loss of GBP13.8m for the half-year ended 30 June 2011. Revenues from ordinary activities were GBP355.1m, up 50.3% from the same period last year. Diluted EPS was 1.4 pence compared to 3.9 pence last year. Net operating cash flow was GBP0.4m compared to GBP31.4m last year. The interim dividend declared was 1.95 pence compared with 1.85 pence last year. Total AUM increased GBP12.8bn (21%) from 31 December 2010. The acquisition of Gartmore added GBP15.7bn at completion, whilst the transfer of the Henderson Liquid Assets Fund to DB Advisors in February 2011 reduced AUM by GBP1.5bn.

27 January 2012

### Recommendation

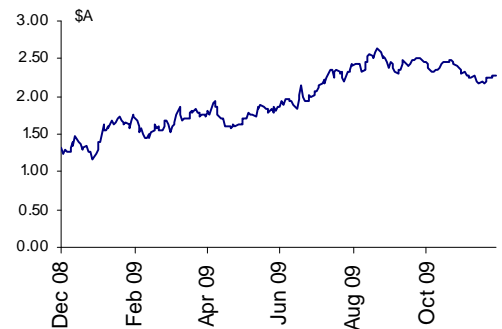
Recommendation: Neutral  
Relative to: All Ind (ex Fins)

### Investment Fundamentals

ASX code: HGG  
Stock price: \$1.69  
Market cap: \$1,850m

	Y/E 31/12/2012	2011e	2012e	2013e	2014e
Reported e	\$m	-43.0	99.4	149.9	179.4
Adjusted e	\$m	190.3	212.4	254.3	271.5
EPS adjusted	¢	18.5	19.3	22.9	24.4
EPS growth	%	8.5	4.3	18.6	6.8
PE	x	9.1	8.7	7.4	6.9
PE relative	x	0.6	0.8	0.8	0.8
DPS	¢	10.7	12.7	13.5	13.3
Yield	%	6.3	7.5	8.0	7.9
Franking	%	0.0	0.0	0.0	

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Investment Management	100.0	100.0	100.0	-28.0%	12.0%
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	-7.0%	0.0%
<b>Results by Geography</b>				Dividend Reinvestment	
Europe	0.0	0.0	0.0	Plan	No
North America	0.0	0.0	0.0	Shareholder	
Asia	0.0	0.0	0.0	Discounts	No
<b>Total</b>	<b>0.0</b>				

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