PT Ashmore Asset Management Indonesia Tbk

Results for year ended 30 June 2023

6 September 2023

Overview

- Uncertainty provide volatility to Emerging Market
  - Liquidity drying up was a hit to key sectors such as technology at the beginning of H1
  - China reopening is slower than expected
  - Interest rate hike initially bring volatility to sovereign bond before it normalizes toward H2
  - Investment performance improved significantly showing advantage over active investment management

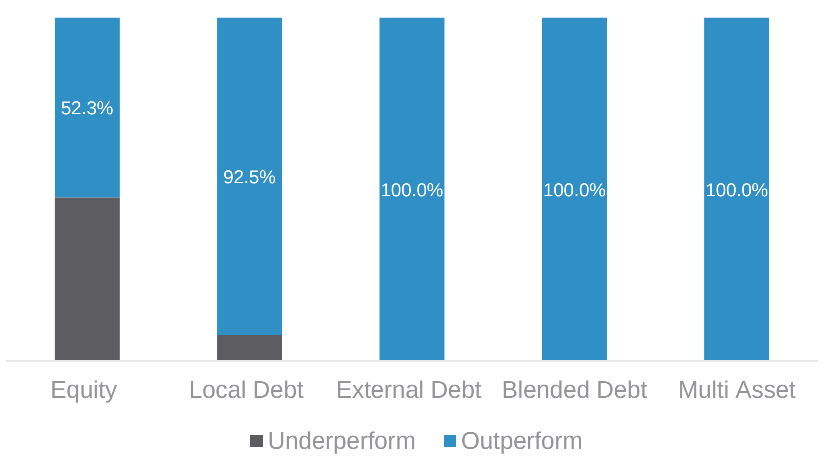
- Focus on growth amid regulatory challenges
  - In 2022/23, Ashmore set up eight discretionary account in response to 2022 regulation that restrict insurance to buy mutual funds
  - Despite profit taking that prompted redemption, the Company AuM was flat during the year
  - Effective cost management with operating costs growth mostly in marketing spending to ensure future AuM
  - EBITDA margin of 56% above historical trend
  - Strong balance sheet and dividend policy remain

- Outlook remain promising on Emerging Market
  - Emerging market asset price is attractive given its growth proposition
  - Indonesia resilient macro economy provide resiliencies against global policy change
  - Indonesia equity is undervalued dibandingkan the Indonesia government bond

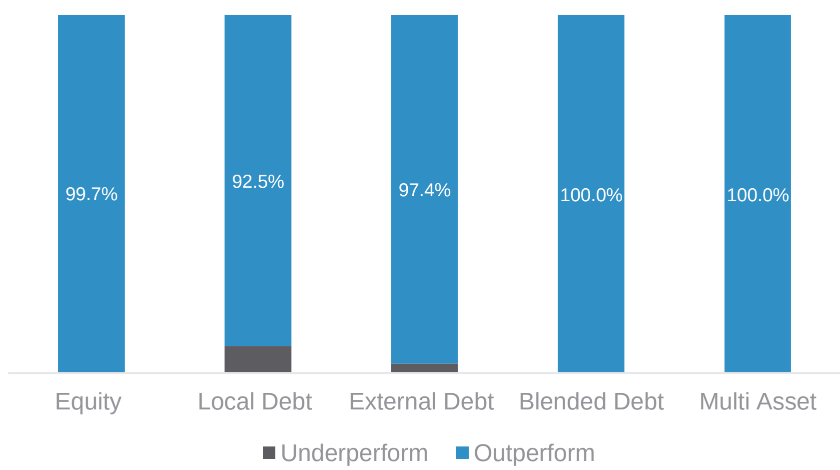
*As per 31 December 2022

Investment performance

One year investment performance
64% outperformance in FY22/23 vs 7% in FY21/22

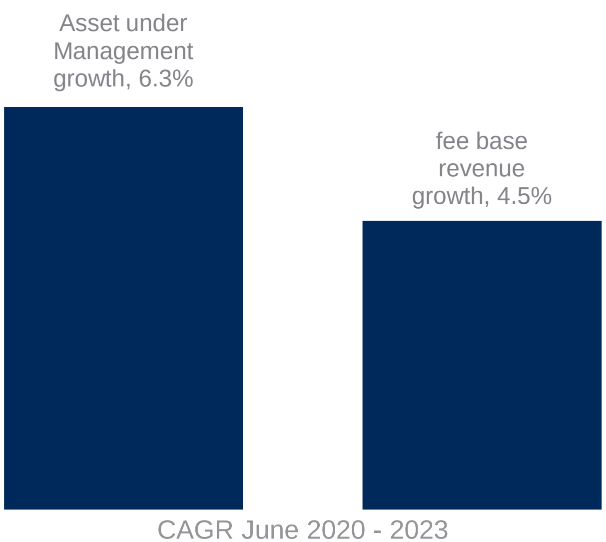


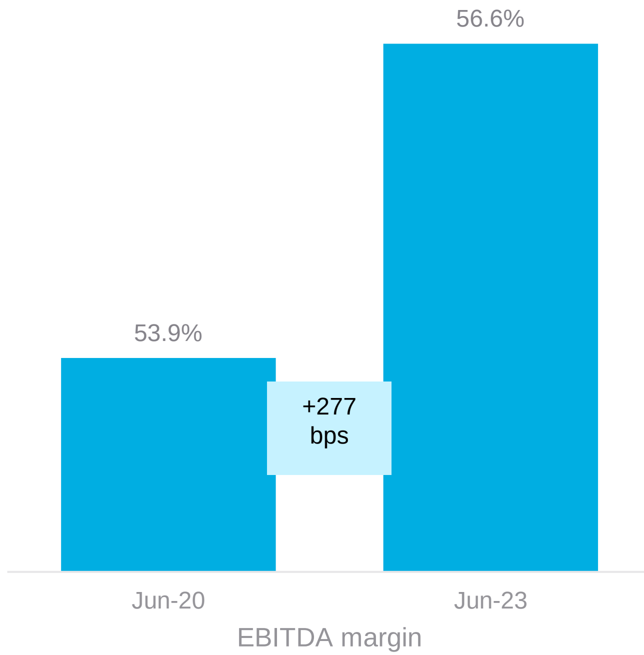
Three years investment performance
98% outperformance in FY22/23 vs 31% in FY21/22

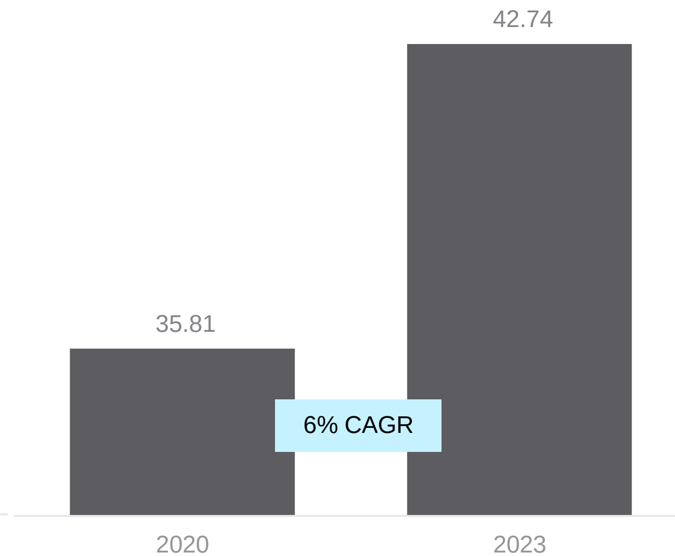


- Performance improved significantly in FY22/23 reflects the active management philosophy particularly for the equity asset class
- Despite interest rate hike, debt were able to turn around performance and outperformed its benchmark as investors recognize Emerging Market value and stability

Financial snapshot

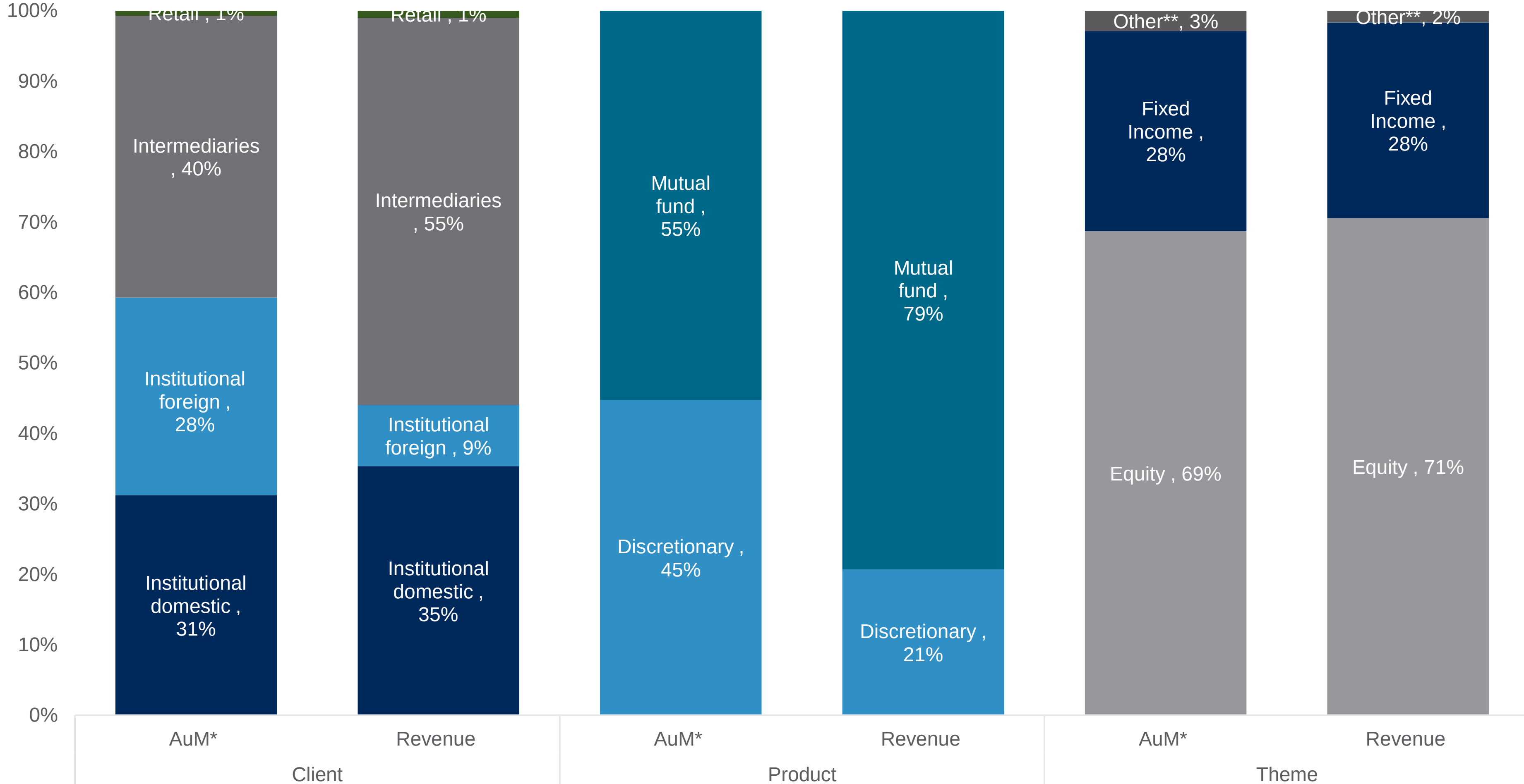






Diversification of Asset

Asset under Management is at US$2.1bn at June with net revenue of US$14m



AuM = Asset under management in the breakdown represents average asset under management for 12 months

Other ** = includes money market, ETF, CPF and balance

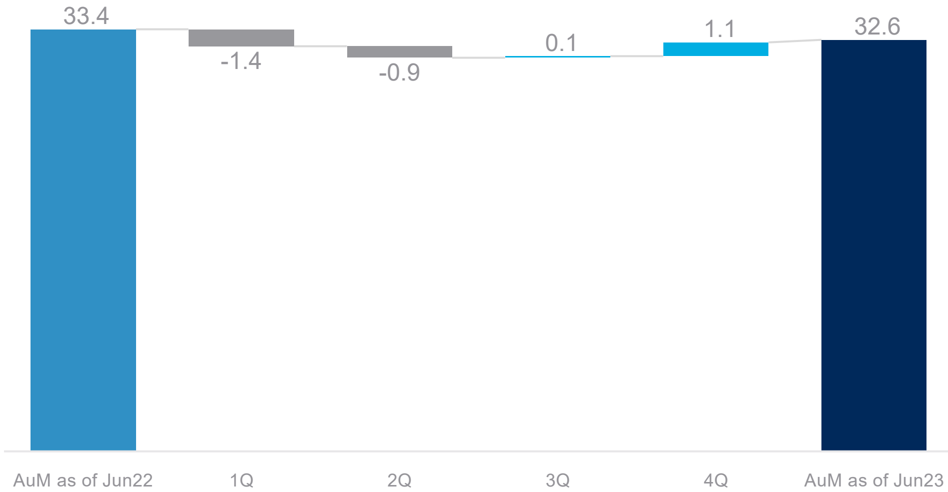
Financial performance overview

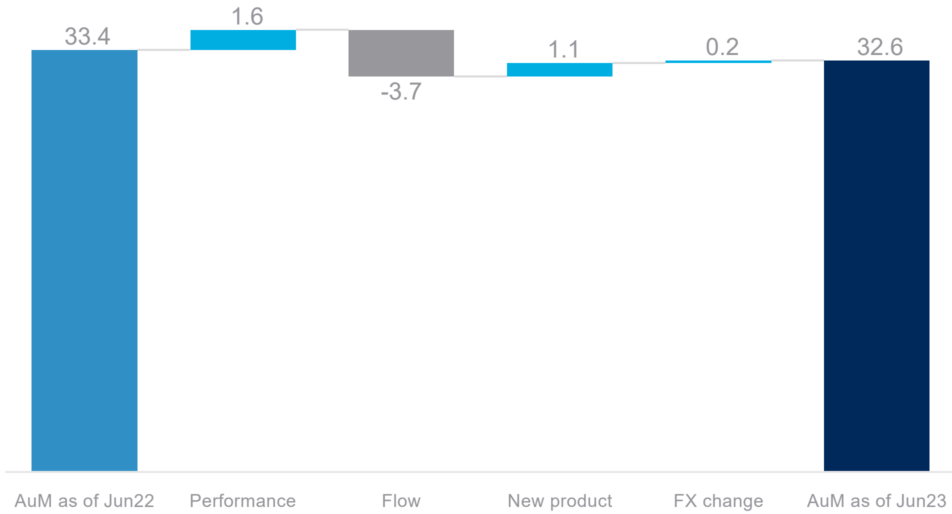
- Average AuM -12% YoY
    - Positive performance prompted net outflow mostly in July – September 2022
- Adjusted net revenue -14% YoY
    - Average AuM decline prompted mostly by the retails
- Continued cost management
    - Operating costs is reduced by 3% YoY - Ashmore continues to spend on marketing expense to ensure future AuM flow
    - Variable costs is reduced by 24% YoY including VC pool consistent with revenue
- Adjusted EBITDA -21% YoY
    - Margin is maintained above historical average of 53% at 57%
- Profit before tax -19%, adjusted diluted EPS -23%

	FY 2022/23	FY 2021/22	YoY %
AuM average (IDR tr)	32.29	36.74	-12
AuM average (US$ bn)	2.13	2.53	-16
(Rpbn except for per share items)			
Adjusted net revenue	208.7	242.1	-14
Operating costs	94.47	96.93	-3
EBITDA	118.2	149.7	-21
EBITDA margin	0.57	0.62	
Profit before tax	121.8	151.1	-19
Adjusted diluted EPS	41.32	53.41	-23

Asset under Management

- Profit taking as Indonesia macro economy shown stability amid global uncertainty mostly occurred in the H1
    - Performance H1/H2: -Rp35 billion / +Rp1.6 trillion
    - Netflow H1/H2: -Rp2.2 trillion / -Rp394 billion
- Subscription: Rp40 trillion or 121% of opening AuM
    - Regulatory change resulted in eight new discretionary accounts which accounted for Rp1.1 trillion of subscription
- Redemption: Rp47 trillion or 141% of opening AuM
    - Retail and intermediaries account for 36% of total AuM which drives most of the high churn rate
    - Outflow initially occurred in both asset classes (equity and fixed income) yet the peaking in interest rate has drive subscription in bonds and resulted in net inflow for the full year for fixed income
- Net outflow of Rp2.6 trillion was driven by:
    - Retail intermediaries (Rp1.9 trillion)
    - Equity and money market asset class





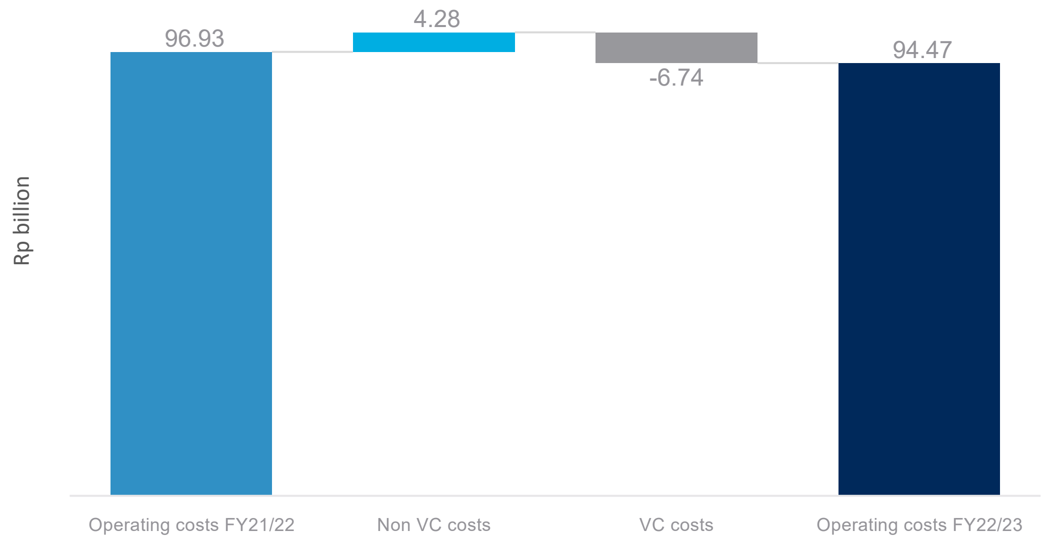
Financial results - Revenue

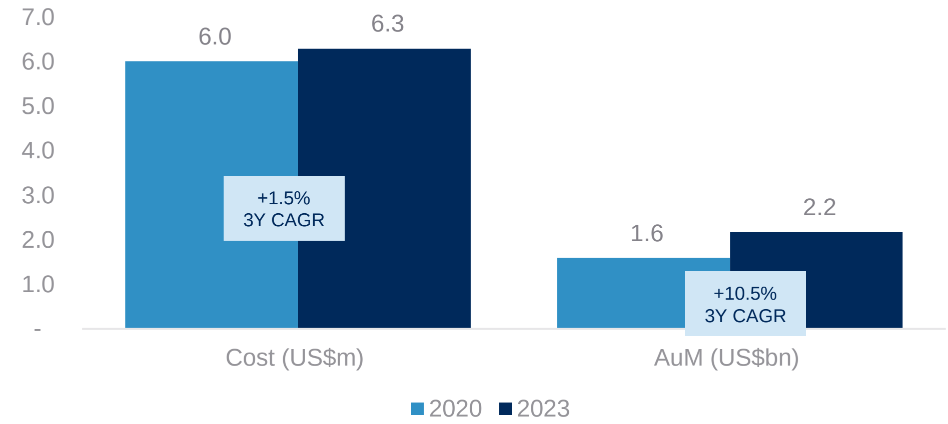
- Net revenue fell by 14% YoY
  - Average AuM -12%
  - Net management fees down 1.2bp (-2%)
- Decline in net management fees to 65bp is affected by:
  - Lower retail clients average management fee (-4.2 bp) due to net redemptions on higher margin product that led to product mix change
  - Higher average fees on institutional clients (+3 bp)

(Full Rupiah)	FY22/23	FY21/22	YoY %
Management fees	324,643,277,653.00	393,644,559,213.00	-18
Ceded fees	115,960,430,533.00	151,559,632,556.00	-23
Net revenue	208,682,847,120.00	242,084,926,657.00	-14

Financial results – Operating costs

- Operating costs reduced by 2.5% YoY
    - Fixed staff costs increased on inflation
    - Lower variable compensation
    - Non variable costs mostly come from return to pre-pandemic travel as well as marketing costs as offline gathering has started
- Variable compensation is at 20% - flat compare to previous year.

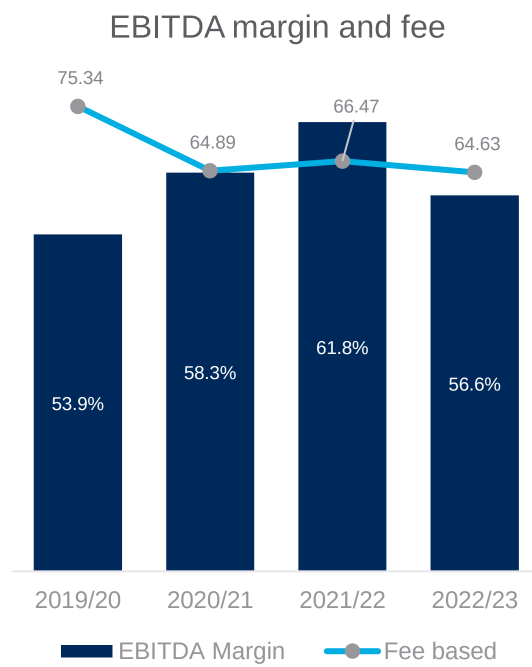




Financial result – Statutory earnings

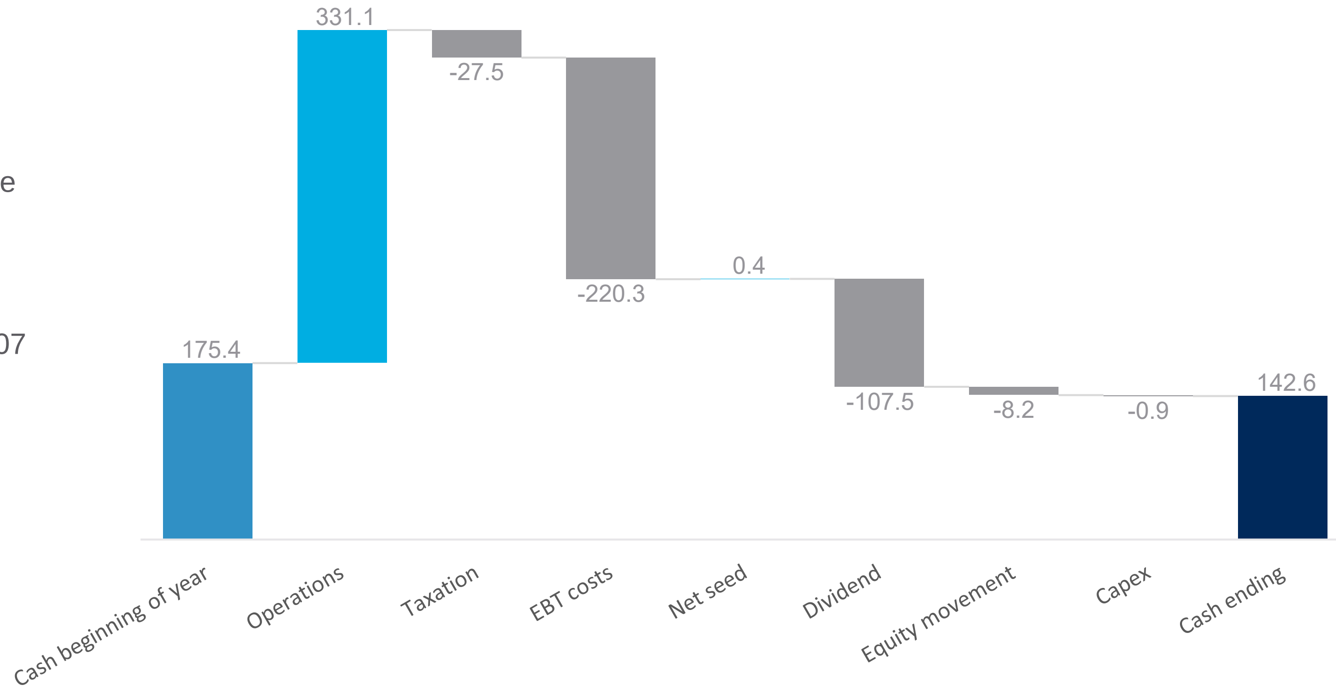
- Effective tax is 22%

	FY 2022/23	FY 2021/22	YoY %
Profit before tax	121.79	151.07	-19
Tax	- 26.79	- 32.60	-18
Profit after tax	95.00	118.47	-20
Profit attributal to equity holders			#DIV/0!

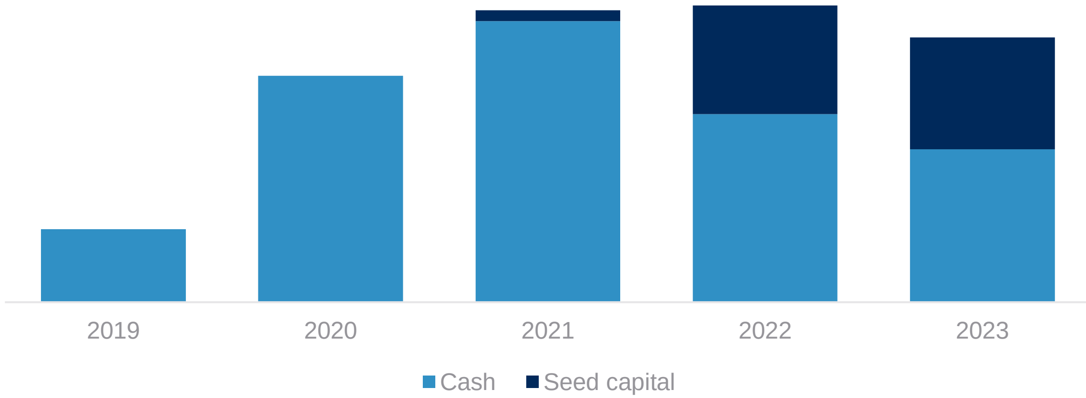


Financial result – Cash flow

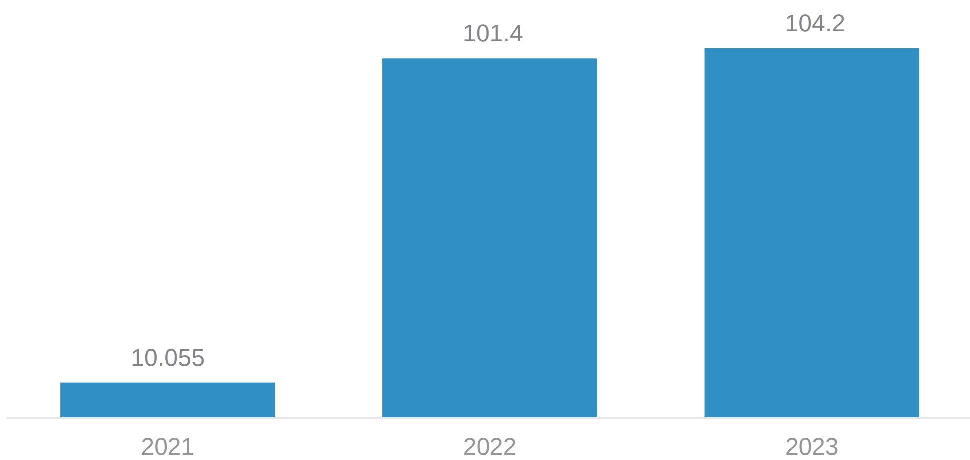
- Strong cash flow generation through the cycle
- Operating cash flow of Rp83 billion
- Dividend paid during the period is Rp107 billion



Financial result – Balance sheet



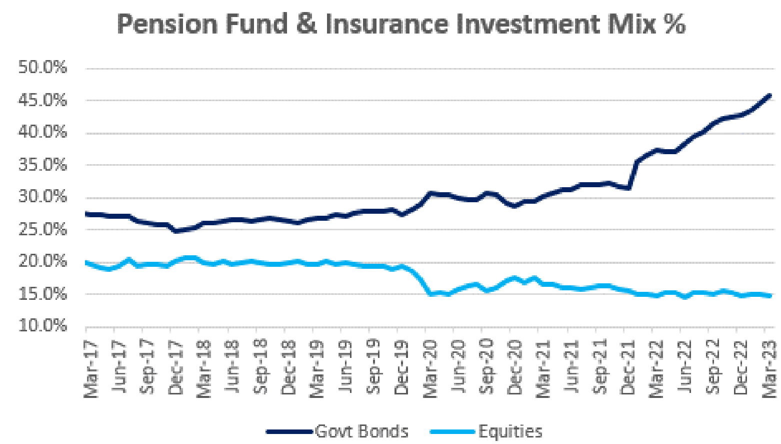
- Stable and liquid balance sheet with cash and cash equivalent of Rp142 billion as of June 2023
- Rp104 billion of seed capital in two fixed income funds
- The Company also has zero debt



- Optimizing use of our balance sheet and support the creation of new products
- In FY22/23 our seed investment yield unrealized gain of Rp2.7bn and generated finance income of Rp86million

Indonesia investment outlook

- Emerging Market asset still lag its global equities
  - Yet the gap between EM and DM GDP growth is likely to widen from 1.2% in 2022 to 3.6% and 3.0% in 2023 and 2024 respectively
- Indonesia macro economy resilience
  - Indonesia is only few country with low debt level therefore offering flexibility to adapt in uncertain global policy
  - Indonesia GDP per capita is expected to hit US$5,000 providing biggest opportunity for Indonesia's economy and investment growth
- Attractive valuation
  - Indonesia has been supported by solid domestic investors and incoming foreign flow – yet it not returned to historical level
  - Domestic investors in the past one year has been flowing into Government bonds providing valuation gap with the equity investors



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