



FRANKLIN
TEMPLETON

Franklin Resources, Inc.

Second Quarter 2025 Results

May 2, 2025 | Investor Presentation

Jenny Johnson

President
Chief Executive Officer

Matthew Nicholls

Executive Vice President
Chief Financial Officer
Chief Operating Officer

Adam Spector

Executive Vice President
Head of Global Distribution

Forward-looking statements and non-GAAP financial information



This commentary contains forward-looking statements that involve a number of known and unknown risks, uncertainties and other important factors. This commentary also contains non-GAAP financial measures. For the reconciliations from US GAAP to non-GAAP measures, refer to the appendix to this commentary and the “Supplemental Non-GAAP Financial Measures” section of the earnings release.

Some of the statements herein may include forward-looking statements that reflect our current views with respect to future events, financial performance and market conditions. Such statements are provided under the “safe harbor” protection of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts and generally can be identified by words or phrases written in the future tense and/or preceded by words such as “anticipate,” “believe,” “could,” “depends,” “estimate,” “expect,” “intend,” “likely,” “may,” “plan,” “potential,” “seek,” “should,” “will,” “would,” or other similar words or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors that may cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements, including market and volatility risks, investment performance and reputational risks, global operational risks, competition and distribution risks, third-party risks, technology and security risks, human capital risks, cash management risks, and legal and regulatory risks. While forward-looking statements are our best prediction at the time that they are made, you should not rely on them and are cautioned against doing so. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other possible future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. They are neither statements of historical fact nor guarantees or assurances of future performance. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them.

These and other risks, uncertainties and other important factors are described in more detail in our recent filings with the US Securities and Exchange Commission, including, without limitation, in Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended September 30, 2024 and our subsequent Quarterly Reports on Form 10-Q and current reports on Form 8-K. If a circumstance occurs after the date of this presentation that causes any of our forward-looking statements to be inaccurate, whether as a result of new information, future developments or otherwise, we undertake no obligation to announce publicly the change to our expectations, or to make any revision to our forward-looking statements, to reflect any change in assumptions, beliefs or expectations, or any change in events, conditions or circumstances upon which any forward-looking statement is based, unless required by law.

The information in this commentary is provided solely in connection with this commentary, and is not directed toward existing or potential investment advisory clients or fund shareholders.

Second Quarter 2025 Business Highlights



Franklin Templeton is one of the most comprehensive global asset managers with \$1.54 trillion in AUM; diversified by specialist investment manager, asset class, vehicle, and geography

Flow Trends

- Long-term inflows increased 9% from the prior quarter excluding reinvested distributions
 - Gross sales increased across all asset classes
- Long-term net outflows were \$26.2 billion
 - Excluding Western Asset Management (“Western”), long-term net inflows were \$7.4 billion
 - Positive net flows in Multi-Asset and Alternatives with a combined total of \$9.7 billion
- Institutional pipeline of won but unfunded mandates increased by \$2.3 billion to \$20.4 billion

Key Areas of Growth

- Fundraised \$6.8 billion in Alternatives, of which \$6.1 billion in private market assets broadly distributed across strategies
- *Alternatives by Franklin Templeton*: This quarter, launched Franklin Lexington Private Markets Fund (“FLEX”) in the US and internationally. These perpetual funds are designed for wealth channel clients and raised \$2.0 billion (\$1.1 billion in the US and \$0.9 billion internationally)
- ETF: \$4.1 billion of net flows (14th consecutive positive quarter) with record high AUM of \$37.0 billion; 10 US and 2 non-US ETFs over \$1 billion
- Retail SMA AUM was \$144.2 billion with net inflows of \$1.5 billion and excluding Western, had record net inflows of \$3.2 billion
 - Canvas®: Record net flows and AUM of \$1.2 billion and \$11.4 billion, respectively
- Non-US AUM of approximately \$470 billion with positive net flows in EMEA and the Americas
 - Launched Putnam’s flagship strategies internationally

Investment Performance

- Over half of the mutual fund AUM is outperforming its peer median across all periods
- Over half of strategy composite AUM is outperforming its benchmark in the 3-, 5-, and 10-year periods

Second Quarter 2025 Financial Summary¹



Key metrics

(in US\$ millions, except AUM in billions and per share data)

	Q2 2025	Q1 2025	Q2 2024
Ending AUM ²	\$ 1,540.6	\$ 1,575.7	\$ 1,644.7
Average AUM ²	1,570.5	1,634.5	1,581.1
Adj. revenue	1,610.2	1,682.7	1,665.1
Adj. operating income	377.2	412.8	419.6
Adj. net income	254.4	320.5	306.6
Adj. diluted EPS	0.47	0.59	0.56
Adj. effective fee rate ³	38.3 bps	37.2 bps	38.5 bps
Adj. operating margin	23.4%	24.5%	25.2%

- **AUM** of \$1.54 trillion decreased from the prior quarter due to the impact of long-term net outflows at Western and negative markets
- **Adjusted effective fee rate³** (“EFR”) of 38.3 bps compared to 37.2 bps in the prior quarter. The increase in the current quarter was primarily driven by Western outflows
- **Adjusted operating income** declined from the prior quarter primarily due to compensation expense related to the start of the calendar year and the impact of Western, partially offset by the prior quarter annual deferred compensation acceleration for retirement-eligible employees
- **Adjusted net income and EPS** declined from the prior quarter primarily due to lower adjusted operating income, losses on investments and foreign exchange losses in the current quarter compared to gains in the prior quarter, partially offset by a lower income tax rate due to discrete tax items
 - Includes \$41 million seed investment loss related to a renewable energy investment fund which has been closed

1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) Excludes approximately \$12.6 billion of AUM in our China joint venture. 3) The adjusted effective fee rate is annualized adjusted investment management fees, excluding performance fees, divided by average AUM for the period.

Second Quarter 2025

AUM and Investment Performance

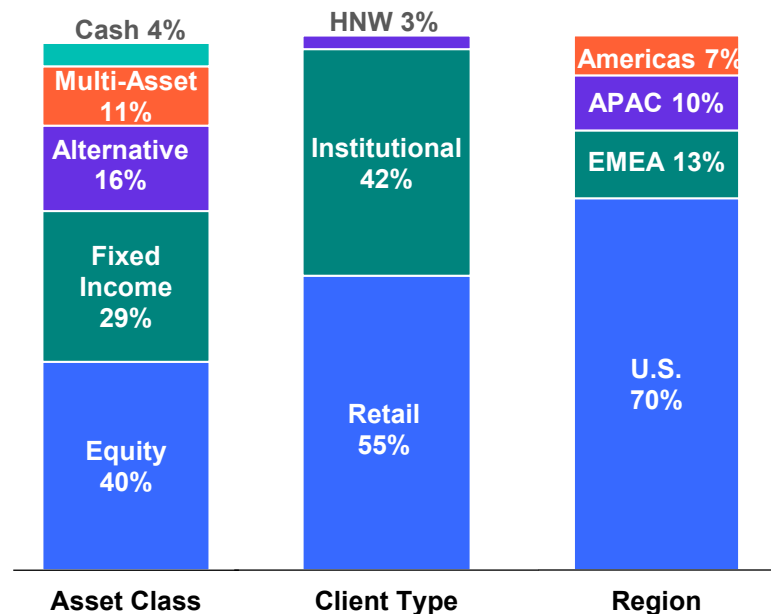


Diversification by Asset Class, Client Type, Region, and Specialist Investment Manager (“SIM”)



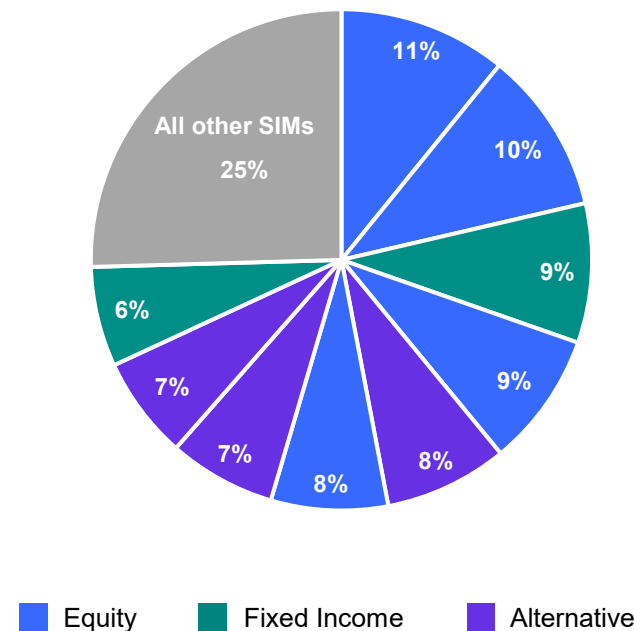
AUM by asset class, client type, and region

AUM of \$1.54 trillion as of March 31, 2025



Q2 Adjusted Operating Revenue by SIM

As of March 31, 2025



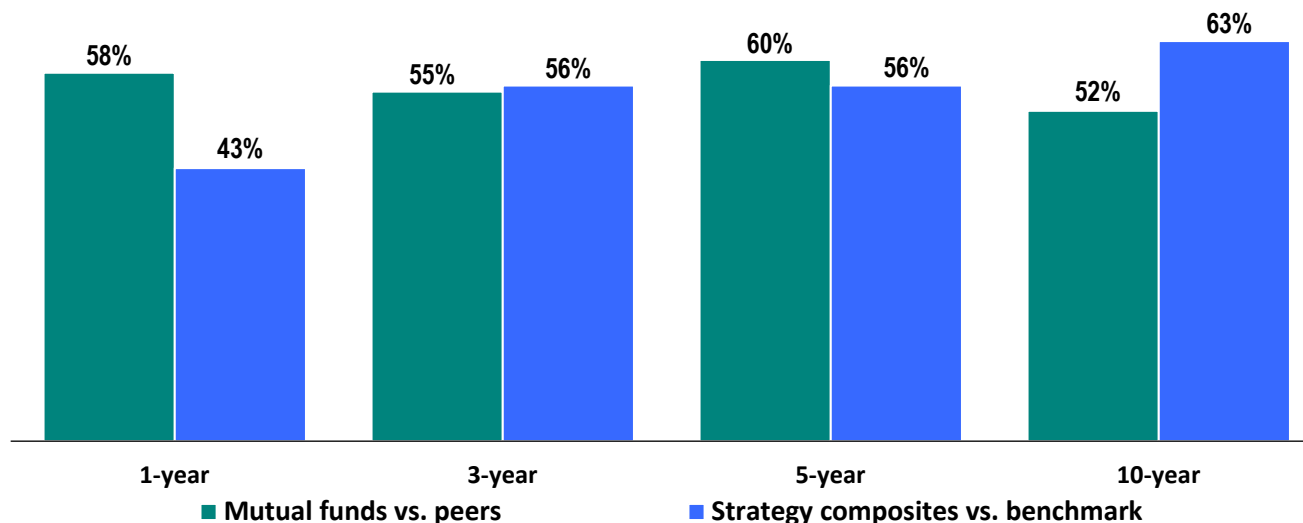
- Our AUM is diversified across asset class, client type, region, and investment teams

Investment Performance Summary



Percentage of AUM above peer median and benchmark¹

As of March 31, 2025



- **Mutual Funds:** Compared to the prior quarter, investment performance increased in the 1- and 5-year periods and declined in the 3-year period primarily due to the categorization of one of our largest funds managed for yield, and stayed flat in the 10-year period
- **Strategy Composites:** Compared to the prior quarter, investment performance increased in the 3- and 5-year periods, stayed relatively flat in the 10-year period and declined in the 1-year period primarily due to certain alternative strategies

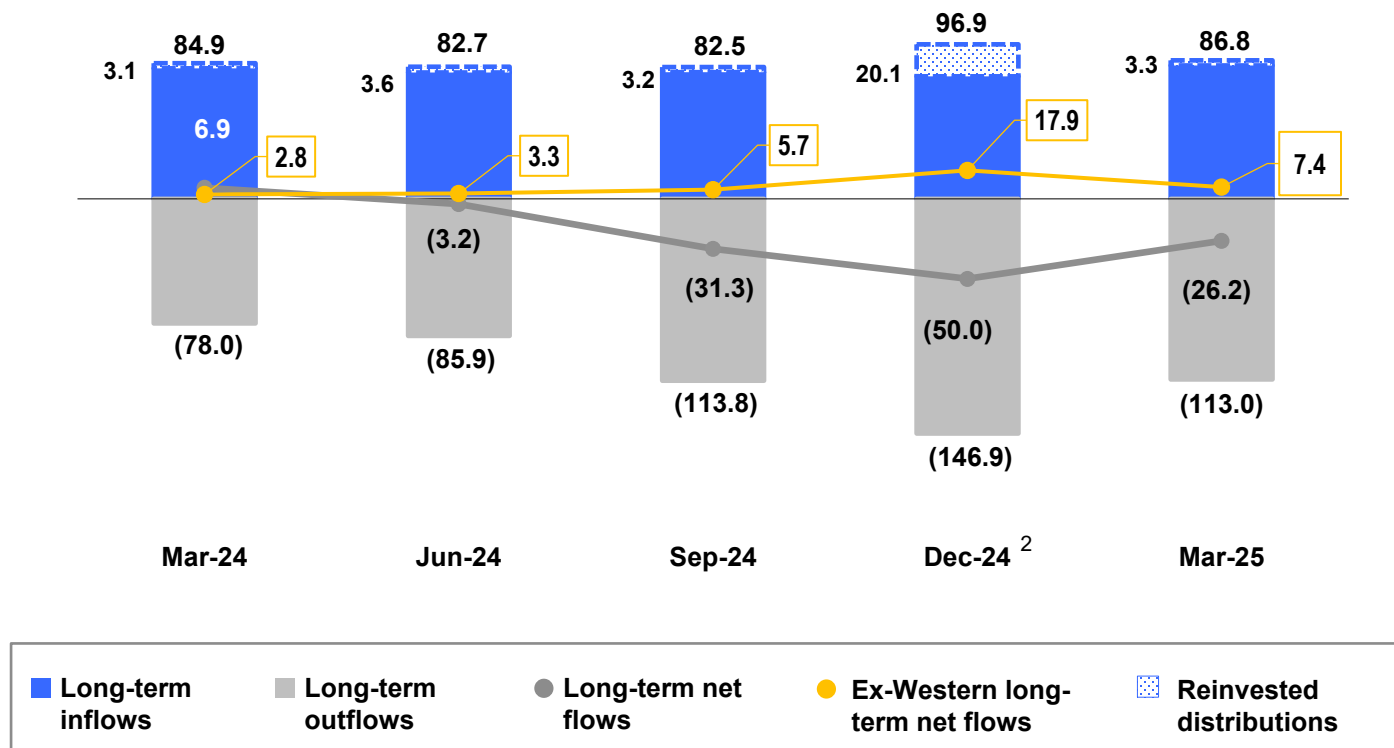
¹) Benchmark comparisons are based on each strategy's composite returns (composites may include retail SMA and mutual fund assets managed as part of the same strategy) as compared to a market index that has been selected to be generally consistent with the investment objectives of the account. Multi-asset strategies that lack benchmarks consistent with their investment objectives are excluded. Composite AUM measured for the 1-, 3-, 5-, and 10-year periods represent 55%, 55%, 54%, and 49%, respectively, of the firm's total AUM as of March 31, 2025. Mutual fund performance is sourced from Morningstar and measures the percentage of ranked fund AUM in the top two quartiles of their peer groups. Mutual fund AUM measured for the 1-, 3-, 5-, and 10-year periods represents 39%, 38%, 38%, and 35%, respectively, of the firm's total AUM as of March 31, 2025.

AUM and Flows¹

(in US\$ billions, for the three months ended)



Total AUM: \$1.54 trillion



- Long-term inflows increased 9% from the prior quarter and 2% from the prior year quarter (excluding reinvested distributions)
- Long-term net outflows included \$33.6 billion of net outflows at Western. Excluding Western, long-term net inflows were \$7.4 billion, compared to \$17.9 billion in the prior quarter and \$2.8 billion in the prior year quarter
- Institutional pipeline of won but unfunded mandates increased by \$2.3 billion to \$20.4 billion from the prior quarter. The pipeline remains diversified by asset class and across our specialist investment managers

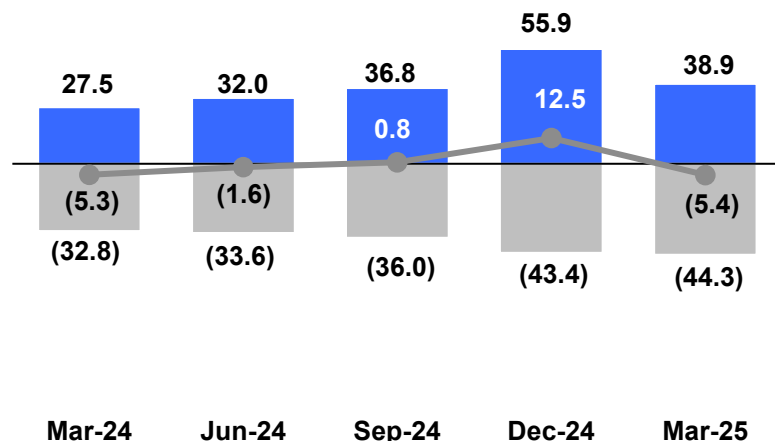
1) Excludes all cash management flows. 2) Long-term inflows and outflows were each revised from previously reported amounts to reflect fund activity of \$0.9 billion settling in January 2025. The revision did not impact net flows or ending AUM.

AUM and Flows

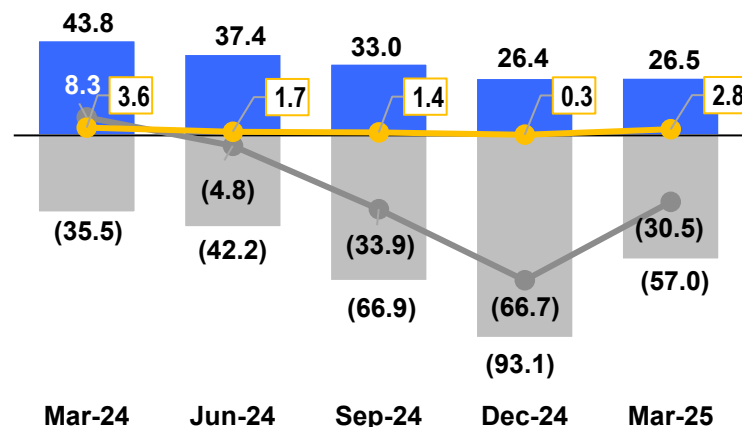
(in US\$ billions, for the three months ended)



Equity: \$598 billion



Fixed Income: \$446 billion



■ Long-term inflows

■ Long-term outflows

● Long-term net flows

● Ex-Western long-term net flows

- LT inflows of \$38.9 billion increased 41% compared to prior year quarter. Gross sales have increased for the past 6 consecutive quarters
- Equity net outflows were \$5.4 billion as the risk-off environment impacted growth strategies. Net inflows into value, smart beta, and international strategies

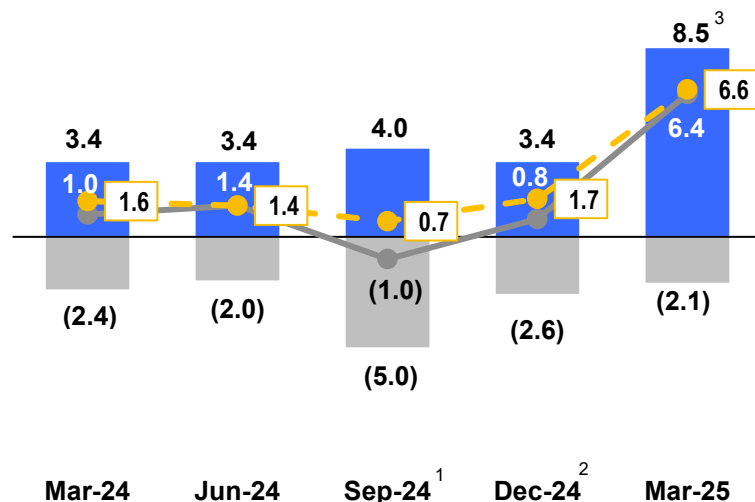
- Fixed income net outflows were \$30.5 billion. Excluding Western, fixed income net inflows were \$2.8 billion
- Net inflows into multi-sector, munis, stable value, and high yield strategies

AUM and Flows

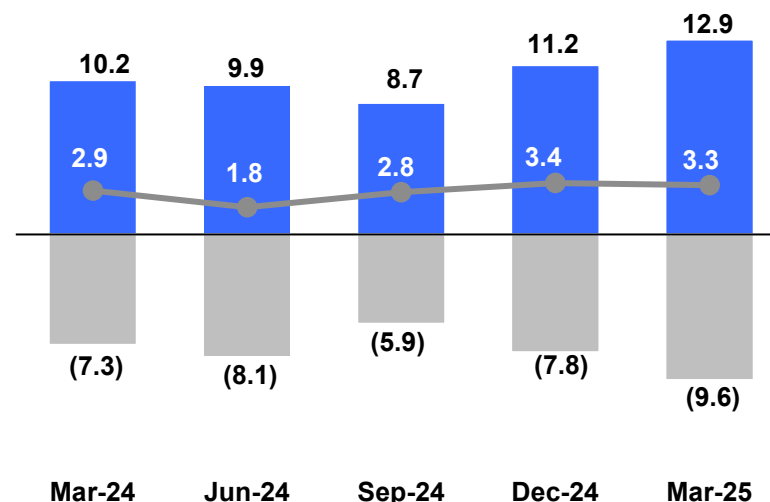
(in US\$ billions, for the three months ended)



Alternative: \$252 billion



Multi-Asset: \$176 billion



■ Long-term inflows²

■ Long-term outflows

● Long-term net flows

● Ex-Western long-term net flows

- \$8.5 billion of inflows³ represents fee generating capital raised or called in this quarter
- \$6.8 billion was fundraised in the quarter, which includes \$6.1 billion in private market assets⁴, representing both fee and non-fee generating capital
- Aggregate realizations and distributions⁵ were \$2.8 billion

See page 17 for additional detail

- Multi-asset net inflows were \$3.3 billion led by positive net flows into Franklin Templeton Investment Solutions, Canvas, Franklin Income Investors, and Fiduciary Trust

1) Western alternative outflows included (\$1.5) billion related to Macro Opps fund closure in Q4 2024. 2) Long-term inflows and outflows were each revised from previously reported amounts to reflect fund activity of \$0.9 billion settling in January 2025. The revision did not impact net flows or ending AUM. 3) Inflows only include fee generating capital; fundraises in non-fee generating capital are represented in net market change, dist. & other. 4) Private markets includes Collateralized Loan Obligations ("CLOs"). Fundraising represent subscriptions, commitments and other increases in available capital in non-fee generating or fee generating AUM this quarter. 5) Alternative realizations & distributions exclude client-driven redemptions, which are included in alternative outflows.

Second Quarter 2025 Financial Results



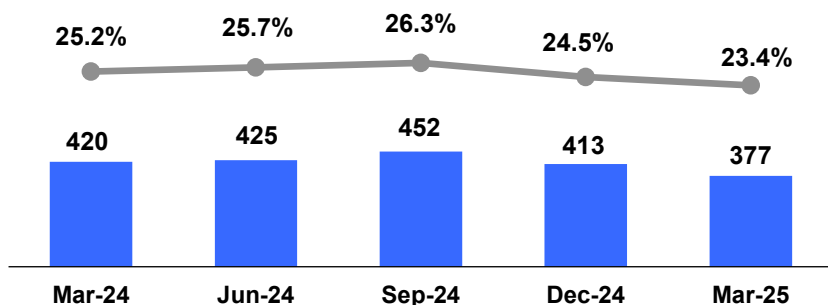
Financial Results¹

(GAAP and non-GAAP in US\$ millions except per share data, for the three months ended)



US GAAP	Mar-24	Jun-24	Sep-24 ²	Dec-24	Mar-25
Operating Income	129.3	222.5	(150.7)	219.0	145.6
Operating Margin	6.0%	10.5%	(6.8%)	9.7%	6.9%

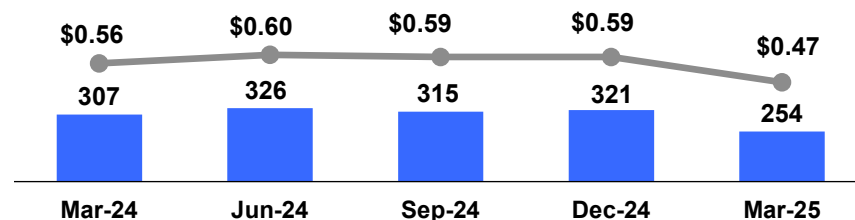
Adjusted operating income and adjusted operating margin



- Adjusted operating income declined 8.6% from the prior quarter primarily due to compensation expense related to the start of the calendar year, the impact of Western outflows, and the impact of two fewer calendar days, partially offset by the prior quarter annual deferred compensation acceleration for retirement-eligible employees
- Adjusted operating income declined 10.1% from the prior year quarter primarily due to the impact of Western outflows and higher sales commissions, partially offset by the addition of Putnam and the realization of cost savings initiatives

US GAAP	Mar-24	Jun-24	Sep-24 ²	Dec-24	Mar-25
Net Income	124.2	174.0	(84.7)	163.6	151.4
Diluted EPS	\$0.23	\$0.32	(\$0.17)	\$0.29	\$0.26

Adjusted net income and adjusted diluted earnings per share



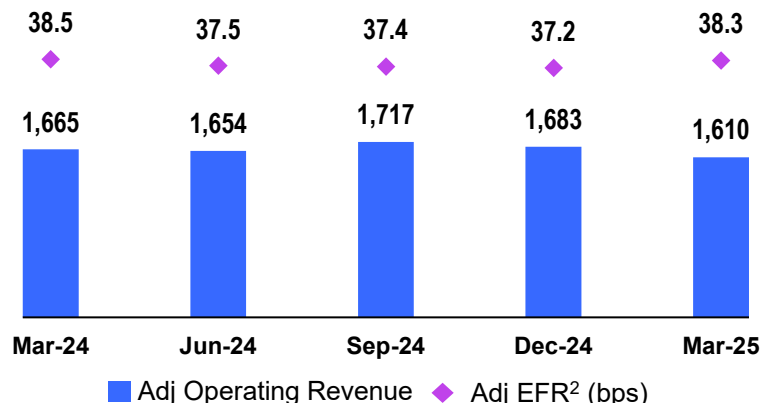
- Adjusted net income and EPS declined by 20.6% and 20.3% from the prior quarter, respectively, reflecting lower adjusted operating income, losses on investments in the current quarter and foreign exchange losses as compared to gains in the prior quarter, partially offset by a lower tax rate due to discrete tax benefits
- This quarter includes \$41 million seed investment loss related to a renewable energy investment fund which has been closed
- Adjusted net income and EPS declined by 17.0% and 16.1% from the prior year quarter, respectively, reflecting lower adjusted operating income and losses on investments, partially offset by a lower tax rate due to discrete tax benefits

Financial Results¹

(Non-GAAP in US\$ millions except EFR)

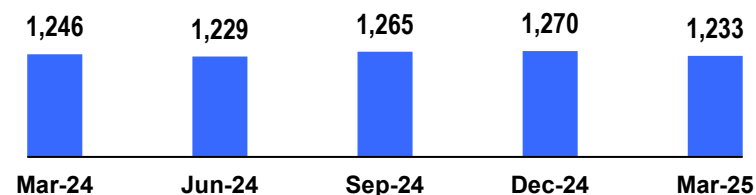


Adjusted operating revenue and effective fee rate²



- Adjusted operating revenue declined 4.3% from the prior quarter primarily due to the impact of Western outflows, the impact of two fewer calendar days, and lower performance fees
- Adjusted operating revenue declined 3.3% from the prior year quarter primarily due to the impact of Western outflows and lower performance fees, partially offset by the growth of Putnam
- Adjusted performance fees were \$55.7 million compared to \$72.5 million in the prior quarter and \$71.0 million in prior year quarter
- Adjusted EFR² of 38.3 bps compared to 37.2 bps in the prior quarter, primarily due to Western outflows, and 38.5 bps in the prior year quarter

Adjusted operating expenses



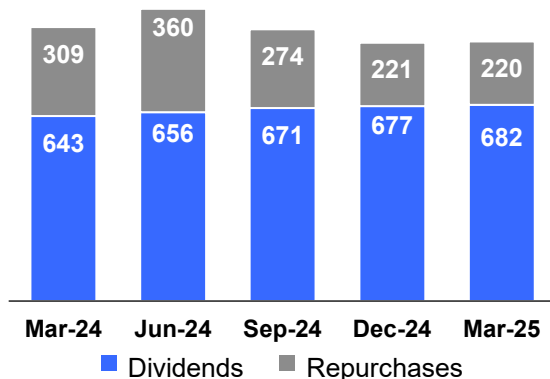
- Adjusted operating expenses decreased by 2.9% from the prior quarter primarily due to the prior quarter annual deferred compensation acceleration for retirement-eligible employees, partially offset by compensation expense related to the start of the calendar year and higher sales commissions
- Adjusted operating expenses decreased by 1.0% from the prior year quarter primarily due to lower incentive compensation on lower revenues, the realization of cost savings initiatives and the consolidation of NYC office space, partially offset by higher sales commissions
- We announced \$200 to \$250 million of cost savings initiatives to be realized in FY 2026

1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) The adjusted effective fee rate is annualized adjusted investment management fees, excluding performance fees, divided by average AUM for the period.

Capital Management

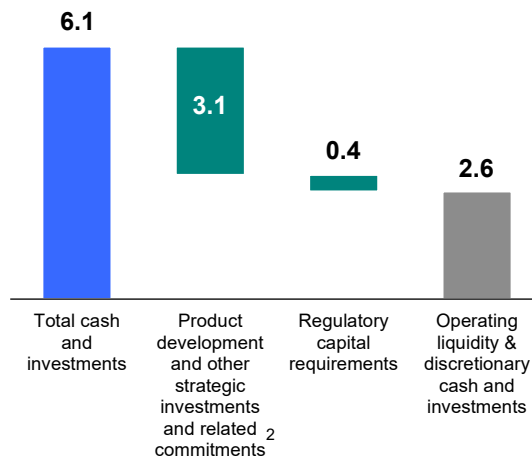
Dividends and share repurchases

(In US\$ millions, for the trailing twelve months ended)



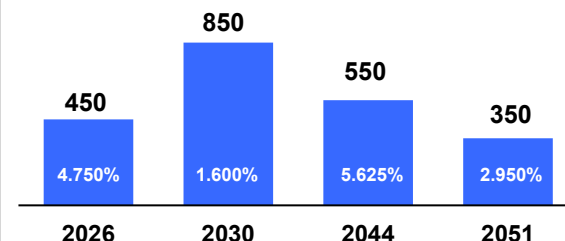
Allocation of cash and investments¹

(In US\$ billions, as of March 31, 2025)



Debt³

(In US\$ millions, as of March 31, 2025)



Shareholder Return

- In February, we announced a quarterly cash dividend of \$0.32 per share, a 3.2% increase over the dividends paid for the prior year quarter
- During the quarter, we returned \$184 million to shareholders including \$174 million in dividends and \$10 million in share repurchases. We typically plan to repurchase shares to offset employee-related equity issuances throughout the year. In addition, we opportunistically repurchase shares taking into account debt maturities, acquisition-related payments, and general market conditions

Liquidity

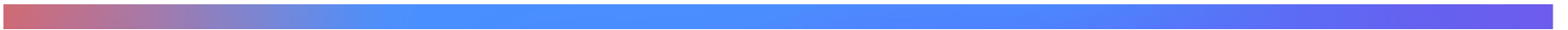
- Total cash and investments were \$6.1 billion¹ as of March 31, 2025 compared to \$6.3 billion as of December 31, 2024 after reducing net debt by \$100 million
- On April 30 2025, we entered into an Amended and Restated Revolving Credit Agreement with a five-year term and \$1.1 billion of aggregate available borrowings, \$300.0 million of which was currently outstanding as of April 30, 2025
- Approximately \$790 million of nominal cash tax benefits available related to acquisitions, which we expect to realize over the next 15 years

Debt

- As of March 31, 2025, we maintained senior debt with an aggregate principal amount due of \$2.2 billion³. The \$400.0 million 2.850% senior notes due March 2025 were repaid on March 31, 2025
- Interest due to debt holders was \$23.0 million compared to \$21.9 million in the prior quarter and \$24.4 million in the prior year quarter due to lower outstanding debt

1) Includes our direct investments in Consolidated Investment Products of \$1.1 billion and approximately \$365 million of employee-owned and other third-party investments made through partnerships, approximately \$236 million of investments related to long-term repurchase agreements and other net financing arrangements, and approximately \$431 million of cash and investments related to deferred compensation plans. 2) Includes \$500 million of undrawn capital commitments to funds that is currently held as cash. 3) Excludes fair value adjustments from purchase accounting.

Appendix



AUM and Flows



(In US\$ billions) ¹	Mar 31, 2025	Dec 31, 2024 ³	% Change	Mar 31, 2024	% Change
Beginning AUM	\$1,575.7	\$1,678.6	(6.1%)	\$1,455.5	8.3%
Long-term inflows	86.8	96.9	(10.4%)	84.9	2.2%
Long-term outflows	(113.0)	(146.9)	(23.1%)	(78.0)	44.9%
Long-term net flows	(26.2)	(50.0)	(47.6%)	6.9	NM
Cash management net flows	2.7	-	NM	(4.8)	NM
Total net flows	(23.5)	(50.0)	(53.0%)	2.1	NM
Acquisitions	-	-	NM	148.3	NM
Net market change, dist. & other	(11.6)	(52.9)	(78.1%)	38.8	NM
Ending AUM	\$1,540.6	\$1,575.7	(2.2%)	\$1,644.7	(6.3%)
Average AUM²	\$1,570.5	\$1,634.5	(3.9%)	\$1,581.1	(0.7%)

1) Excludes approximately \$12.6 billion of AUM in our China joint venture. 2) Average AUM for the quarter is calculated as the average of the month-end AUM for the trailing four months. 3) Long-term inflows and outflows were each revised from previously reported amounts to reflect fund activity of \$0.9 billion settling in January 2025. The revision did not impact net flows or ending AUM.

Alternative AUM Roll Forward

(in US\$ billions)



Three months ended March 31, 2025

	<u>Private Markets¹</u>	<u>Liquid & Other</u>	<u>Total</u>
Beginning Balance	\$228.8	\$20.0	\$248.8
Fundraising ¹	6.1	0.7	6.8
Outflows	(1.0)	(1.1)	(2.1)
Realizations & distributions ²	(2.8)	(0.0)	(2.8)
Net market change, FX, other	(0.1)	1.2	1.1
Ending AUM	\$231.1	\$20.7	\$251.8

- \$6.8 billion was fundraised in the quarter, which includes \$6.1 billion in private market assets¹, representing both fee and non-fee generating capital
- \$8.5 billion of inflows (on page 10) represents fee-generating capital raised or called in this quarter
- Aggregate realizations and distributions² were \$2.8 billion

1) Private markets includes Collateralized Loan Obligations ("CLOs"). Fundraising represent subscriptions, commitments and other increases in available capital in non-fee generating or fee generating AUM this quarter.

2) Alternative realizations & distributions exclude client-driven redemptions, which are included in alternative outflows.

Financial Results

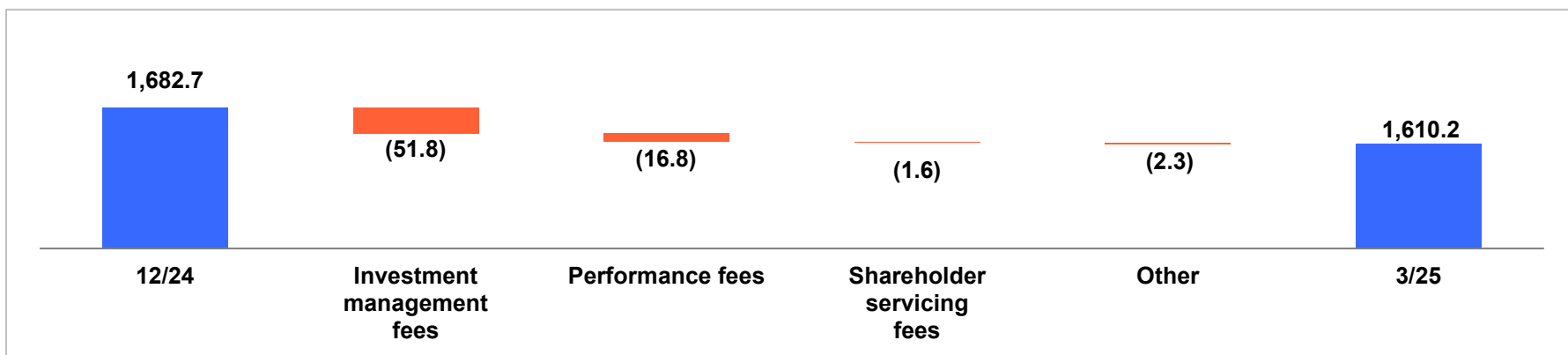
(GAAP and non-GAAP in US\$ millions except per share data, for the three months ended)



Revenues¹

	Mar-25 US GAAP	Adjustments	Mar-25 Adjusted	Dec-24 Adjusted	Mar-25 Adjusted vs. Dec-24 Adjusted	Mar-24 Adjusted	Mar-25 Adjusted vs. Mar-24 Adjusted
Investment management fees, ex. performance fees	1,601.7	(120.1)	1,481.6	1,533.4	(3%)	1,513.5	(2%)
Performance fees	71.9	(16.2)	55.7	72.5	(23%)	71.0	(22%)
Sales and distribution fees	364.9	(364.9)	-	-	NM	-	NM
Shareholder servicing fees	61.9	-	61.9	63.5	(3%)	68.0	(9%)
Other	11.0	-	11.0	13.3	(17%)	12.6	(13%)
Total Operating Revenues	2,111.4	(501.2)	1,610.2	1,682.7	(4%)	1,665.1	(3%)
<i>Effective fee rate²</i>			38.3 bps	37.2 bps		38.5 bps	

Adjusted Operating Revenues – Quarters Ended December 31, 2024 and March 31, 2025



1) For the reconciliations from US GAAP to non-GAAP measures see pages 21 through 23 of this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) The adjusted effective fee rate is annualized adjusted investment management fees, excluding performance fees, divided by average AUM for the period.

Financial Results

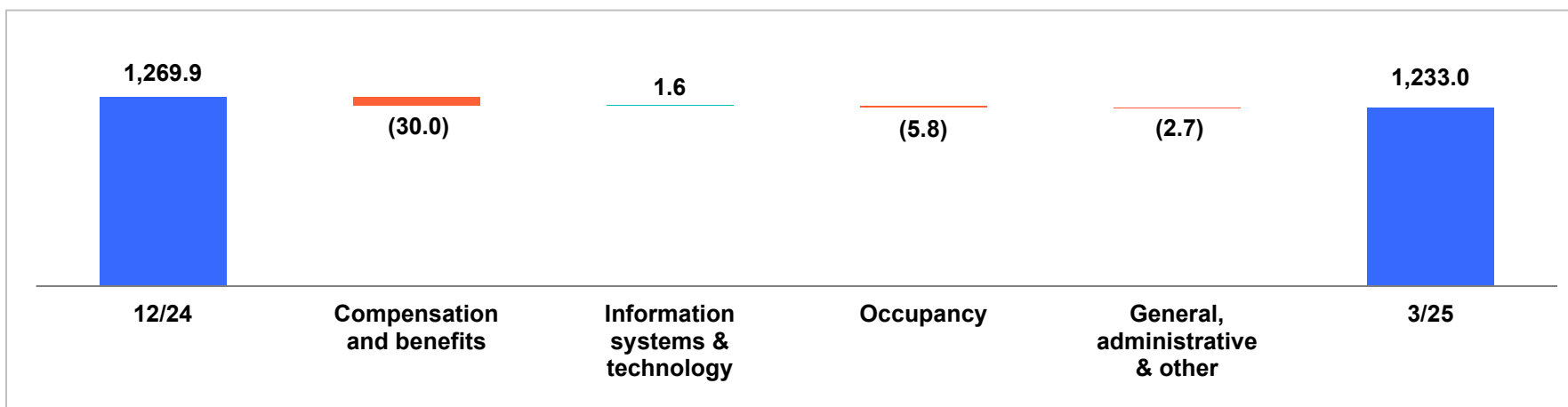
(GAAP and non-GAAP in US\$ millions except per share data, for the three months ended)



Expenses¹

	Mar-25		Mar-25	Dec-24	Mar-25	Mar-25	Mar-25
	US GAAP	Adjustments	Adjusted	Adjusted	Adjusted vs. Dec-24	Adjusted vs. Mar-24	Adjusted vs. Mar-24
Compensation & benefits	920.0	(87.0)	833.0	863.0	(3%)	844.3	(1%)
Sales, distribution & marketing	498.1	(498.1)	-	-	NM	-	NM
Information systems & technology	158.7	(9.8)	148.9	147.3	1%	150.4	(1%)
Occupancy	69.3	-	69.3	75.1	(8%)	76.2	(9%)
Amortization of intangible assets	112.5	(112.5)	-	-	NM	-	NM
Impairment of intangible assets	24.4	(24.4)	-	-	NM	-	NM
General, administrative & other	182.8	(1.0)	181.8	184.5	(1%)	174.6	4%
Total Operating Expenses	1,965.8	(732.8)	1,233.0	1,269.9	(3%)	1,245.5	(1%)

Adjusted Operating Expenses – Quarters Ended December 31, 2024 and March 31, 2025



1) For the reconciliations from US GAAP to non-GAAP measures see pages 21 through 23 of this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com.

Financial Results

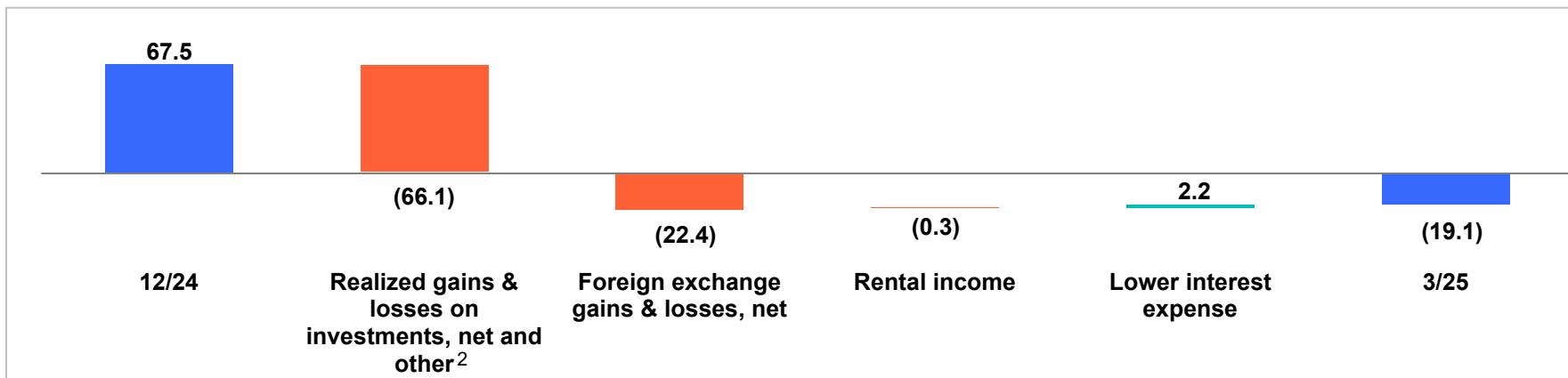
(GAAP and non-GAAP in US\$ millions except per share data, for the three months ended)



Other Income (Expense), Net¹

	Mar-25		Mar-25		Mar-25		Mar-25	
	Adjusted vs.		Adjusted vs.		Adjusted vs.		Adjusted vs.	
	US GAAP	Adjustments	Adjusted	Dec-24	Dec-24	Mar-24	Mar-24	Mar-24
				Adjusted	Adjusted	Adjusted	Adjusted	Adjusted
Investment and other income, net	94.1	(88.2)	5.9	94.7	(94%)	67.6	(91%)	
Interest expense	(20.8)	(4.2)	(25.0)	(27.2)	(8%)	(30.0)	(17%)	
Investment and other income (losses) of CIPs	(164.7)	164.7	-	-	NM	-	NM	
Expenses of CIPs	(11.5)	11.5	-	-	NM	-	NM	
Other Income (Expense), Net	(102.9)	83.8	(19.1)	67.5	NM	37.6	NM	

Adjusted Other Income – Quarters Ended December 31, 2024 and March 31, 2025



1) For the reconciliations from US GAAP to non-GAAP measures see pages 21 through 23 of this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) Includes \$41 million seed investment loss related to a renewable energy investment fund which has been closed.

Reconciliation of US GAAP results to Non-GAAP Results

Three months ended March 31, 2025



(in US\$ millions except per share data)	US GAAP Basis	Consolidated Investment Products	Sales, distribution and marketing	Acquisition- related	Special Termination Plan	Unrealized investment (gains) losses	Deferred Comp Plan and other	Tax Expense of Adjustments	Non-GAAP Basis
Revenues									
Investment management fees	1,673.6	13.1	(133.2)	(16.2) ¹	-	-	-	-	1,537.3
Sales and distribution fees	364.9	-	(364.9)	-	-	-	-	-	-
Shareholder servicing fees	61.9	-	-	-	-	-	-	-	61.9
Other	11.0	-	-	-	-	-	-	-	11.0
Total Operating Revenues	2,111.4	13.1	(498.1)	(16.2)	-	-	-	-	1,610.2
Expenses									
Compensation and benefits	920.0	-	-	(50.9) ¹	(17.3)	-	(18.8)	-	833.0
Sales, distribution and marketing	498.1	-	(498.1)	-	-	-	-	-	-
Information systems and technology	158.7	-	-	(9.8)	-	-	-	-	148.9
Occupancy	69.3	-	-	-	-	-	-	-	69.3
Amortization of intangible assets	112.5	-	-	(112.5)	-	-	-	-	-
Impairment of intangible assets	24.4	-	-	(24.4)	-	-	-	-	-
General, administrative and other	182.8	-	-	(0.9)	(0.1)	-	-	-	181.8
Total Operating Expenses	1,965.8	-	(498.1)	(198.5)	(17.4)	-	(18.8)	-	1,233.0
Operating Income	145.6	13.1	-	182.3	17.4	-	18.8	-	377.2
Other Income (Expense)									
Investment and other income (losses) net	94.1	(46.4)	-	1.6	-	(38.7)	(4.7)	-	5.9
Interest expense	(20.8)	-	-	(4.2)	-	-	-	-	(25.0)
Investment and other income (losses) of CIPs, net	(164.7)	164.7	-	-	-	-	-	-	-
Expenses of CIPs	(11.5)	11.5	-	-	-	-	-	-	-
Total Other Income (Expense)	(102.9)	129.8	-	(2.6)	-	(38.7)	(4.7)	-	(19.1)
Income before taxes	42.7	142.9	-	179.7	17.4	(38.7)	14.1	-	358.1
Taxes on income	31.1	-	-	-	-	-	-	49.2	80.3
Net income	11.6	142.9	-	179.7	17.4	(38.7)	14.1	(49.2)	277.8
Less: Net income (loss) attributable to noncontrolling interests	(139.8)	151.2	-	-	-	4.2	7.8	-	23.4
Net Income Attributable to Franklin Resources, Inc.	151.4	(8.3)	-	179.7	17.4	(42.9)	6.3	(49.2)	254.4
Less: allocation of earnings to participating nonvested stock and stock unit awards	14.3								11.0
Net Income Available to Franklin Resources, Inc. Common Stockholders	137.1								243.4
Diluted EPS	\$ 0.26				Adjusted Diluted EPS				\$ 0.47
Avg. Diluted Shares Outstanding	519.9				Avg. Diluted Shares Outstanding				519.9
Operating Margin	6.9%				Adjusted Operating Margin				23.4%

1) Includes \$16.2 million of performance fees that were passed through as compensation per the terms of the acquisition agreement.

Reconciliation of US GAAP results to Non-GAAP Results

Three months ended December 31, 2024



(in US\$ millions except per share data)	US GAAP Basis	Consolidated Investment Products	Sales, distribution and marketing	Acquisition-related	Special Termination Plan	Unrealized investment (gains) losses	Deferred Comp Plan and other	Tax Expense of Adjustments	Non-GAAP Basis
Revenues									
Investment management fees	1,799.3	12.5	(136.8)	(69.1) ¹	-	-	-	-	1,605.9
Sales and distribution fees	375.5	-	(375.5)	-	-	-	-	-	-
Shareholder servicing fees	63.5	-	-	-	-	-	-	-	63.5
Other	13.3	-	-	-	-	-	-	-	13.3
Total Operating Revenues	2,251.6	12.5	(512.3)	(69.1)	-	-	-	-	1,682.7
Expenses									
Compensation and benefits	991.4	-	-	(114.9) ¹	(0.4)	-	(13.1)	-	863.0
Sales, distribution and marketing	512.3	-	(512.3)	-	-	-	-	-	-
Information systems and technology	156.0	-	-	(8.7)	-	-	-	-	147.3
Occupancy	75.1	-	-	-	-	-	-	-	75.1
Amortization of intangible assets	112.6	-	-	(112.6)	-	-	-	-	-
General, administrative and other	185.2	-	-	(0.7)	-	-	-	-	184.5
Total Operating Expenses	2,032.6	-	(512.3)	(236.9)	(0.4)	-	(13.1)	-	1,269.9
Operating Income	219.0	12.5	-	167.8	0.4	-	13.1	-	412.8
Other Income (Expense)									
Investment and other income (losses) net	10.5	45.3	-	2.5	-	36.0	0.4	-	94.7
Interest expense	(23.1)	-	-	(4.1)	-	-	-	-	(27.2)
Investment and other income (losses) of CIPs, net	114.1	(114.1)	-	-	-	-	-	-	-
Expenses of CIPs	(7.3)	7.3	-	-	-	-	-	-	-
Total Other Income (Expense)	94.2	(61.5)	-	(1.6)	-	36.0	0.4	-	67.5
Income before taxes	313.2	(49.0)	-	166.2	0.4	36.0	13.5	-	480.3
Taxes on income	81.1	-	-	-	-	-	-	50.8	131.9
Net income	232.1	(49.0)	-	166.2	0.4	36.0	13.5	(50.8)	348.4
Less: Net income (loss) attributable to noncontrolling interests	68.5	(53.2)	-	-	-	4.5	8.1	-	27.9
Net Income Attributable to Franklin Resources, Inc.	163.6	4.2	-	166.2	0.4	31.5	5.4	(50.8)	320.5
Less: allocation of earnings to participating nonvested stock and stock unit awards	15.4								14.5
Net Income Available to Franklin Resources, Inc. Common Stockholders	148.2								306.0
Diluted EPS	\$ 0.29								\$ 0.59
Avg. Diluted Shares Outstanding	518.2								518.2
Operating Margin	9.7%								24.5%

1) Includes \$69.1 million of performance fees that were passed through as compensation per the terms of the acquisition agreement.

Reconciliation of US GAAP results to Non-GAAP Results

Three months ended March 31, 2024



(in US\$ millions except per share data)	US GAAP Basis	Consolidated Investment Products	Sales, distribution and marketing	Acquisition- related	Special Termination Plan	Unrealized investment (gains) losses	Deferred Comp Plan and other	Tax Expense of Adjustments	Non-GAAP Basis
Revenues									
Investment management fees	1,713.9	10.8	(125.8)	(14.4) ¹	-	-	-	-	1,584.5
Sales and distribution fees	358.3	0.2	(358.5)	-	-	-	-	-	-
Shareholder servicing fees	68.0	-	-	-	-	-	-	-	68.0
Other	12.6	-	-	-	-	-	-	-	12.6
Total Operating Revenues	2,152.8	11.0	(484.3)	(14.4)	-	-	-	-	1,665.1
Expenses									
Compensation and benefits	1,028.2	-	-	(118.9) ¹	(40.4)	-	(24.6)	-	844.3
Sales, distribution and marketing	484.3	-	(484.3)	-	-	-	-	-	-
Information systems and technology	155.1	-	-	(4.7)	-	-	-	-	150.4
Occupancy	76.2	-	-	-	-	-	-	-	76.2
Amortization of intangible assets	84.6	-	-	(84.6)	-	-	-	-	-
General, administrative and other	195.1	-	-	(20.5)	-	-	-	-	174.6
Total Operating Expenses	2,023.5	-	(484.3)	(228.7)	(40.4)	-	(24.6)	-	1,245.5
Operating Income	129.3	11.0	-	214.3	40.4	-	24.6	-	419.6
Other Income (Expense)									
Investment and other income (losses) net	52.5	45.4	-	-	-	(12.4)	(17.9)	-	67.6
Interest expense	(27.7)	-	-	(2.3)	-	-	-	-	(30.0)
Investment and other income (losses) of CIPs, net	89.9	(89.9)	-	-	-	-	-	-	-
Expenses of CIPs	(5.9)	5.9	-	-	-	-	-	-	-
Total Other Income (Expense)	108.8	(38.6)	-	(2.3)	-	(12.4)	(17.9)	-	37.6
Income before taxes	238.1	(27.6)	-	212.0	40.4	(12.4)	6.7	-	457.2
Taxes on income	62.8	-	-	-	-	-	-	60.4	123.2
Net income	175.3	(27.6)	-	212.0	40.4	(12.4)	6.7	(60.4)	334.0
Less: Net income (loss) attributable to noncontrolling interests	51.1	(31.1)	-	-	-	(2.8)	10.2	-	27.4
Net Income Attributable to Franklin Resources, Inc.	124.2	3.5	-	212.0	40.4	(9.6)	(3.5)	(60.4)	306.6
Less: allocation of earnings to participating nonvested stock and stock unit awards	7.2								14.1
Net Income Available to Franklin Resources, Inc. Common Stockholders	117.0								292.5
Diluted EPS	\$ 0.23								\$ 0.56
Avg. Diluted Shares Outstanding	519.2								519.2
Operating Margin	6.0%								25.2%

1) Includes \$14.4 million of performance fees that were passed through as compensation per the terms of the acquisition agreement.