

Analyst

Marcus Barnard 618 9326 7673

Authorisation

Regan Burrows 618 9326 7677

Janus Henderson (JHG)

Q2 was a tough quarter, but new CEO shows early promise

Recommendation

Buy (Buy)

Price

A\$36.78

Target (12 months)

A\$43.50 (previously A\$45.50)

GICS Sector

Diversified Financials

Expected Return

Capital growth	18.3%
Dividend yield	4.7%
Total expected return	23.0%

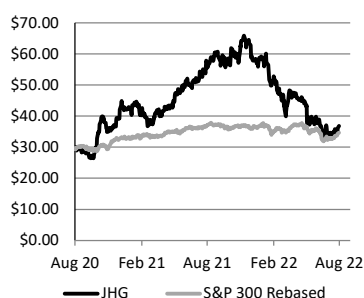
Company Data & Ratios

Enterprise value	A\$4.9bn
Market cap	A\$5.9bn
Issued capital	166m
Free float	100%
Avg. daily val. (52wk)	A\$7.7m
12 month price range	A\$32.74-66.31

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	36.55	45.08	54.89
Absolute (%)	0.6	-18.4	-33.0
Rel market (%)	-2.9	-13.7	-27.0

Absolute Price



A tough quarter

We expected Q2 to be tough, but the figures were worse than we expected. AUM fell by 17% from US\$361bn to US\$299bn, below our estimate of US\$319.4bn. Adjusted operating income, was US\$149.3m in Q2, which was 7.8% below our estimate of US\$162.2m and down 16.5% compared to US\$178.8m in the previous quarter. The dividend was kept at US\$0.39 per share.

New CEO highlights areas of focus

The conference call was the first opportunity for Ali Dibadj to speak to analysts since he arrived (one month ago). He is conducting a review but pointed out that AUM and revenues and have not kept pace with the industry. He sees a lot to do to improve performance and acknowledged it would not be a quick fix. The company was not getting its share of new flows that would be suggested by the relative investment performance. A phrase he used repeatedly was “[win] where we have the right to win”. He was clear that he had been brought in to fix rather than sell the business, but there was a need in some areas to add to teams or make small bolt-on acquisitions.

Investment view: Valuation A\$43.50 per share, maintain BUY

The investment thesis is at a turning point. Falls in investment markets, have reduced AUM and profitability. The appearance of an activist investor has not led to corporate activity which may have disappointed some investors. The change of CEO means a new strategy and that will take time to deliver tangible results. But now might be a good time to revisit: markets should start to recover; the company has a new direction and there is still the prospect of M&A (we feel JHG could easily be swallowed by a larger group). We value JHG using DCF valuation, with a WACC of 11.2% which gives a valuation of A\$43.33 per share at end 2022, which we round to a target price of A\$43.50 (4.4% lower than our previous price target of A\$45.50). This price target is 18.3% above the current share price and we retain a BUY recommendation. With this update our earnings forecasts reduce by 20.3% for FY22 and 7.2% for FY23 and FY24.

Earnings Forecast

Y/e December 31	2021a	2022e	2023e	2024e
Adjusted revenue (US\$m)	2,215	1,632	1,478	1,472
EBITDA underlying (US\$m)	1,007	659	594	621
NPAT (underlying) (US\$m)	755	364	431	452
EPS (adjusted) (UScps)	448	218	260	273
EPS growth (%)	29%	-51%	19%	5%
PER (x)	6.2	12.5	10.5	10.0
Price/book (x)	0.9	1.0	0.9	0.9
EV/EBITDA (x)	3.4	5.2	5.8	5.5
Price/CF (x)	4.8	8.1	9.3	8.9
Dividend (AU¢ps)	203	190	172	181
Franking (%)	0.0%	0.0%	0.0%	0.0%
Yield (%)	5.5%	5.2%	4.7%	4.9%
ROE (%)	16.1%	8.0%	9.6%	9.6%

Results

The key figures

Note figs in US\$, relate to Q2 (rather than H1), and we focus on Adjusted rather than US GAAP figures.

- **Adjusted operating income**, was US\$149.3m in Q2 22. This was 7.8% below our estimate of US\$162.2m. This was down 16.5% compared to US\$178.8m in the previous quarter (Q1 22) and 44.6% lower than US\$269.3m a year ago in Q2 21.
- **AUM**: decreased 17% over the quarter to US\$299.7bn, and this was below our forecast of US\$319.4bn. This compares to AUM of US\$361.1bn at end Q1 22 and US\$432.4bn at end 2021.
- **Flows and market moves**: Within the \$61.3bn AUM movement during Q2, market and FX moves were US\$53.5bn, while outflows were \$7.8bn. We had anticipated larger outflows of US\$9.3bn and lower market and FX moves of US\$32.3bn.
- **Management fee rate** was 49.2bps and was 0.2bps lower than 49.4bps in Q1 22(ex Intech, a low margin business). We had expected a slightly higher rate of 50bps.
- **Adjusted revenue** was US\$427.6m, 2.0% below our estimate of \$437.8m. This was down 10.6% vs \$478.2m in Q1 22 and down 29.1% vs \$603.6m in Q2 21. Performance fees were again negative at US\$(3.4)m compared to US\$(8.4)m in Q1 22. US mutual funds were negative at US\$(15.4)m, but there has been a pick up in investment trusts and absolute return funds compared to Q1.
- **Adjusted expenses** were US\$278.4m and this was close to our forecast of US\$275.8m. This compares to US\$299.4 in Q1 22 and US\$334.3m in Q2 21.
- **Margin**: The adj operating margin fell to 34.9% in Q2 22, compared to 37.4% in Q1 and 44.6% a year ago in Q2 21.
- **Adj EPS** was US\$0.63 in Q2 22. This is down 16% compared to US\$0.75 in the previous quarter (Q1 22) and down 46% compared to US\$1.16 a year ago (Q2 21).

Figure 1 - Q2 Results, vs BP estimates, vs Q1 2022 and vs Q2 2021

Janus Henderson (JHG) Quarterly Earnings	Q2	BP Q2e	vs Bpe	Change vs Q1		Change vs	
				Q1	22	Q2	Q2 21
	Jun-22	Jun-22	Jun-22	Mar-22		Jun-21	
Reported Revenue	539.2	551.9	-2%	602.8	-11%	738.4	-27%
Distribution costs	111.5	114.1	-2%	124.6	-11%	134.8	-17%
Pro forma adjusted revenue	427.7	437.8	-2%	478.2	-11%	603.6	-29%
Underlying expenses	266.7	265.7	0%	272.3	-2%	324.5	-18%
Underlying EBITDA	161.0	172.1	-6%	205.9	-22%	279.1	-42%
One-off expenses	4.7	2.5	88%	19.5	-76%	1.6	194%
Reported EBITDA	156.3	169.6	-8%	186.4	-16%	277.5	-44%
Underlying D&A	6.3	5.7	11%	5.7	11%	6.3	0%
Underlying EBIT	154.7	166.4	-7%	200.2	-23%	272.8	-43%
Acquisition related Amortisation	0.7	1.9	-63%	1.9	-63%	1.9	-63%
Reported EBIT / Adj operating income	149.3	162.0	-8%	178.8	-16%	269.3	-45%
Underlying interest expense	3.2	3.2	0%	3.2	0%	3.2	0%
Underlying investment gains (losses)	-109.4	-30.0	NM	-32.2	NM	1.8	NM
Underlying non-operating income (expenses)	-1.7	0.0	NM	-7.8	NM	-2.7	NM
Other one-off non-operating income (expenses)	0.0	0.0		0.0		0.0	
Underlying EBT	40.4	133.2	-70%	157.0	-74%	268.7	-85%
Reported EBT	35.0	128.8	-73%	135.6	-74%	271.6	-87%
Underlying tax expense	9.2	29.3	-69%	35.7	-74%	79.7	-88%
One-off related tax expense (offset)	0.0	0.0		0.0		0.0	
Minorities	101.0	0.0		20.1		0.0	
Underlying NPAT	132.2	103.9	27%	141.4	-7%	189.0	-30%
Reported NPAT	126.8	99.5	27%	120.0	6%	191.9	-34%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

- **The dividend** was maintained at US\$0.39 per share, costing US\$65.5m, and the company repurchased 2.1 shares in the quarter for US\$56m. Total returns to shareholders were US\$121m over the quarter, and this compares to the last three quarters which have returned US\$108m, US\$131m and US\$139m. Cumulative share repurchases since 2018 have reduced shares in issue by 17.3%.
- **Investment performance vs benchmark** showed that 60% of AUM had outperformed its benchmark over 3 years (vs 62% over 3 years at Q1 22). The figures showed a reduction in Fixed interest performance from 97% to 79%.
- **Investment performance vs quartiles** showed that 64% of fund AUM were in the top 2 Morningstar quartiles over 3 years (vs 63% at Q1 22). Fixed interest dropped from 85% to 68% while alternatives improved from 30% to 95%.
- **NPAT** was impacted by US\$109.4m of investment losses below the operating line, relating to market movements on seed capital investments.

Conference call

The conference call was the first opportunity for newly appointed CEO, Ali Dibadj, to speak to analysts since he arrived – just one month ago. He is conducting a review of the business but he pointed out that the business has not kept pace with the growth of the industry. He sees a lot to do to improve the business and acknowledged it would not be a quick fix.

He believes the company has not been getting its share of new flows that would be suggested by the relative investment performance. For example, there were \$3.5trn of mutual fund sales in the US in 2021, but JHG got \$25bn, or less than 1%. He pointed to a number of niche strategies (such as AAA CLO ETF), where expanding the product into other geographies or fund types has increased the uptake.

He also said the business is not really working as a global business and appeared to be operating with a multi-local silo approach. In these areas he saw the opportunity to amplify strengths not fully leveraged.

He pointed out that the existing clients that he had contact with were happy with the performance and service and wanted to do more business with them. By contrast he found that many potential clients were either not aware of the capabilities or track record and would not necessarily consider JHG. A phrase he used repeatedly was “[win] where we have the right to win”.

In the Q&A session he was asked if he had been appointed to sell the business, or if he had a mandate for major M&A. He was clear that he had been brought in to fix rather than sell the business. As should be expected, he said no decisions had been made on big M&A, but acknowledged the need for bolt-on acquisitions of small teams or business units. He thought M&A would only work if it widened capabilities and client offerings or service.

Revised forecasts

Forecast FUM

We show our forecasts for Q2 and our medium-term forecasts in the following tables.

Figure 2 - FUM forecasts

Janus Henderson (JHG) Net-flows and FUM (US\$)													
	FY2020	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3e	Q4e	FY2022e	FY2023e	FY2024e
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Dec-22	Dec-23	Dec-24
Equities													
Open	204.0	219.4	224.9	240.1	236.2	219.4	244.3	221.3	177.0	177.4	244.3	177.9	179.7
Sales	30.9	10.5	8.6	7.5	8.1	34.7	8.5						
Redemptions	-49.1	-12.0	-10.5	-10.1	-11.3	-43.9	-12.3						
Net-flows	-16.3	-1.5	-1.9	-2.6	-3.2	-9.2	-3.8	-5.8	-2.2	-2.2	-14.0	-8.9	-9.0
Market and FX	31.7	7.0	17.1	-1.3	11.3	34.1	-19.2	-38.5	2.7	2.7	-52.4	10.7	10.8
Close	219.4	224.9	240.1	236.2	244.3	244.3	221.3	177.0	177.4	177.9	177.9	179.7	181.5
Fixed Income													
Open	74.8	81.5	79.5	80.5	79.5	81.5	79.6	75.5	64.5	54.8	79.6	46.1	44.0
Sales	28.9	5.9	5.9	4.7	5.6	22.1	6.0						
Redemptions	-16.0	-5.5	-6.0	-4.0	-5.5	-21.0	-6.0						
Net-flows	-1.1	0.4	-0.1	0.7	0.1	1.1	0.0	-3.3	-3.3	-3.2	-9.8	-2.3	-2.2
Market and FX	7.8	-2.4	1.1	-1.7	0.0	-3.0	-4.1	-7.7	-6.5	-5.5	-23.7	0.2	0.2
Close	81.5	79.5	80.5	79.5	79.6	79.6	75.5	64.5	54.8	46.1	46.1	44.0	42.0
Quantitative Equities (INTECH)													
Open	45.2	42.0	41.3	43.4	39.1	42.0	38.0	0.0	0.0	0.0	38.0	0.0	0.0
Sales	2.4	0.2	0.2	0.1	0.1	0.6	0.2						
Redemptions	-11.8	-2.3	-1.5	-4.5	-4.3	-12.6	-35.5						
Net-flows	-9.4	-2.1	-1.3	-4.4	-4.2	-12.0	-35.3	0.0	0.0	0.0	-35.3	0.0	0.0
Market and FX	6.2	1.4	3.4	0.1	3.1	8.0	-2.7	0.0	0.0	0.0	-2.7	0.0	0.0
Close	42.0	41.3	43.4	39.1	38.0	38.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multi Assets													
Open	39.8	48.0	49.5	53.2	53.9	48.0	59.7	53.9	46.5	44.0	59.7	41.6	40.8
Sales	11.4	3.0	2.4	2.6	4.3	12.3	2.3						
Redemptions	-7.9	-2.2	-1.9	-1.8	-2.2	-8.1	-4.5						
Net-flows	3.5	0.8	0.5	0.8	2.1	4.2	-2.2	-0.9	-0.6	-0.5	-4.2	-2.1	-2.0
Market and FX	4.7	0.7	3.2	-0.1	3.7	7.5	-3.6	-6.5	-2.0	-1.9	-13.9	1.3	1.3
Close	48.0	49.5	53.2	53.9	59.7	59.7	53.9	46.5	44.0	41.6	41.6	40.8	40.1
Alternatives													
Open	11.0	10.7	9.9	10.4	10.6	10.7	10.7	10.3	11.7	11.7	10.7	11.6	11.5
Sales	2.8	1.1	1.3	1.1	1.2	4.7	0.9						
Redemptions	-3.9	-2.0	-1.0	-0.8	-1.2	-5.0	-1.1						
Net-flows	-1.1	-0.9	0.3	0.3	0.0	-0.3	-0.2	2.2	-0.1	-0.1	1.7	-0.6	-0.6
Market and FX	0.8	0.1	0.2	-0.1	0.1	0.3	-0.2	-0.8	0.1	0.1	-0.8	0.5	0.5
Close	10.7	9.9	10.4	10.6	10.7	10.7	10.3	11.7	11.7	11.6	11.6	11.5	11.4
Total													
Open	374.9	401.7	405.2	427.7	419.4	401.7	432.4	361.1	299.8	287.9	432.4	277.2	276.0
Net-flows	-24.4	-3.3	-2.5	-5.2	-5.2	-16.2	-41.5	-7.8	-6.2	-6.1	-61.6	-13.8	-13.8
Market, FX & other moves	51.2	6.8	25.0	-3.1	18.2	46.9	-29.8	-53.5	-5.7	-4.6	-93.5	12.7	12.7
Close	401.7	405.2	427.7	419.4	432.4	432.4	361.1	299.8	287.9	277.2	277.2	276.0	275.0
Average FUM	344.4	403.4	420.8	423.5	425.9	418.4	396.7	328.5	293.8	282.5	325.4	276.6	275.5
Flows as a % of opening FUM	-6.5%	-0.8%	-0.6%	-1.2%	-1.2%	-4.0%	-9.6%	-2.2%	-2.1%	-2.1%	-14.3%	-5.0%	-5.0%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Forecast profitability

We have revised our forecasts reflecting the lower asset values and the revised guidance from the company. The company gave the following guidance for the full year:

- Aggregate performance fee range for full-year 2022 is US\$(35)m to US\$(45)m, based on current performance.
- The net management fee rate of 49.2bps (down 0.2bps) was attributed to changes in asset mix, implying it would stay around this level. We had assumed that this would stabilise at around 50bps following the disposal of Intech.
- Expenses are expected to be lower, as variable compensation is scaled back, but the compensation ratio (compensation as a % of adjusted revenue) is expected to be close to 44-45% in 2022, compared with 39.5% in 2021.

We show our revised forecasts in the table in Figure 3.

Figure 3 - P&L forecasts

Janus Henderson (JHG) Quarterly Earnings	FY2020	Q1	Q2	Q3	Q4	FY2021	Q1	Q2	Q3e	Q4e	FY2022e	FY2023e	FY2024e
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Dec-22	Dec-23	Dec-24
Reported Revenue	2,298.6	644.0	738.4	687.4	693.2	2,767.0	602.8	539.2	466.8	448.1	2,056.9	1,863.0	1,855.8
Distribution costs	464.4	127.4	134.8	142.1	143.3	551.6	124.6	111.5	96.5	92.6	425.2	385.1	383.6
Pro forma adjusted revenue	1,834.2	516.6	603.6	545.3	549.9	2,215.4	478.2	427.7	370.3	355.5	1,631.7	1,477.9	1,472.2
Underlying expenses	1,087.9	302.9	324.5	281.6	299.6	1,208.6	272.3	266.7	221.6	212.3	972.8	884.3	851.2
Underlying EBITDA	746.3	213.7	279.1	263.7	250.3	1,006.8	205.9	161.0	148.7	143.2	658.8	593.6	620.9
One-off expenses	12.8	3.5	1.6	2.8	2.5	10.4	19.5	4.7	4.7	4.7	33.6	18.8	18.8
Reported EBITDA	733.5	210.2	277.5	260.9	247.8	996.4	186.4	156.3	144.0	138.5	625.2	574.8	602.1
Underlying D&A	24.4	6.8	6.3	6.0	6.0	25.1	5.7	6.3	6.3	6.3	24.6	25.2	25.2
Underlying EBIT	721.9	206.9	272.8	257.7	244.3	981.7	200.2	154.7	142.4	136.9	634.2	588.4	595.7
Acquisition related Amortisation	12.4	1.9	1.9	1.9	2.1	7.8	1.9	0.7	0.7	0.7	4.0	2.8	2.8
Reported EBIT / Adj operating income	696.7	201.5	269.3	253.0	239.7	963.5	178.8	149.3	137.0	131.5	596.6	546.8	574.1
Underlying interest expense	12.9	3.2	3.2	3.2	3.2	12.8	3.2	3.2	2.7	2.7	11.8	10.8	10.8
Underlying investment gains (losses)	57.5	1.6	1.8	4.7	-7.3	0.8	-32.2	-109.4	0.0	0.0	-141.6	0.0	0.0
Underlying non-operating income (expenses)	39.7	-0.1	-2.7	3.6	8.0	8.8	-7.8	-1.7	0.0	0.0	-9.5	0.0	0.0
Other one-off non-operating income (expenses)	0.0	0.0	0.0	3.1	0.0	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Underlying EBT	806.2	205.2	268.7	262.8	241.8	978.5	157.0	40.4	139.7	134.2	471.3	557.6	584.9
Reported EBT	781.0	206.2	271.6	267.6	237.2	963.4	135.6	35.0	134.3	128.8	433.7	536.0	563.3
Underlying tax expense	155.3	43.1	79.7	51.9	47.8	222.5	35.7	9.2	31.8	30.5	107.2	126.8	133.0
One-off related tax expense (offset)	-78.2	0.0	0.0	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	-4.9	-4.9
Minorities	-13.4	0.0	0.0	0.0	-1.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Underlying NPAT	637.5	162.1	189.0	210.9	193.0	755.0	121.3	31.2	107.9	103.7	364.2	430.8	452.0
Reported NPAT	690.5	163.1	191.9	215.3	188.4	739.5	99.9	25.8	102.5	98.3	326.6	414.2	435.3

*Disclosure restated, including Revenue and Expenses

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Changes to forecasts

As a result of lower markets, and revised guidance we show our changes to forecasts in the following Figure 4.

- Our forecast revenue is 4.2% lower in FY 2022, compared to previous and 7.5% lower in 2023 and 2024.
- EBITDA is 4.5% lower in 2022, 6.0% lower in 2023 and 6.1% lower in 2024.
- EPS is 20.3% lower in 2022, and 7.2% lower in 2023 and 2024. The 2022 figure includes the mark to market losses on seed capital in Q2, below the operating line.

Figure 4 – Changes

Earnings Revisions	FY22e (new)	FY22e (previous)	% Change	FY23e (new)	FY23e (previous)	% Change	FY24e (new)	FY24e (previous)	% Change
Reported revenue (US\$m)	1631.7	1703.9	-4.2%	1477.9	1598.1	-7.5%	1472.2	1592.2	-7.5%
EBITDA underlying (US\$m)	658.8	689.7	-4.5%	593.6	631.7	-6.0%	620.9	661.3	-6.1%
NPAT (underlying) (US\$m)	364.2	456.0	-20.1%	430.8	465.8	-7.5%	452.0	489.0	-7.6%
EPS (adjusted) (UScps)	218.7	274.2	-20.3%	260.0	280.1	-7.2%	272.7	294.0	-7.2%
Dividend (A\$ps)	190.0	196.9	-3.5%	172.2	185.5	-7.2%	180.6	194.7	-7.2%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Valuation

We value JHG using DCF valuation, with a WACC of 11.2% applied to EBITDA after tax. A summary is shown in Figure 5.

We value the next 10 years EBITDA after tax at US\$2.9bn. We value the terminal value at US\$4.5bn, assuming a long-term real growth rate of 0.0%, which on a discounted basis gives a present value of US\$1.4bn. Adding the forecast end 2022 net cash of \$1.0bn less debt of \$300m, gives a value for the business of US\$5.0bn or US\$30.38 per share at end 2022. Using the current AUDUSD exchange rate of 0.70 gives a valuation of A\$43.33 per share. This is 5% lower than our previous valuation of A\$45.68 per share. We round our valuation to a price target of A\$43.50 from A\$45.50 previously.

Figure 5 - DCF Valuation

WACC Calculation / key assumptions											
Risk free rate		4.0%									
Market risk premium		6.0%									
β = beta		1.20									
Borrowing rate		7.0%									
Tax rate		26.0%									
Target gearing		0.0%									
Cost of equity		11.2%									
Cost of debt		5.2%									
WACC / Discount rate		11.2%									
Inflation		1.0%									
Nominal growth rate		0.0%									
Long-term real growth rate		1.0%									

(US\$m)	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Beyond
EBITDA	659	594	621	644	634	623	613				
Provisions	0	0	0	0	0	0	0				
Working Capital	0	0	0	0	0	0	0				
Tax paid	-107	-122	-128	-133	-131	-129	-126				
Maintenance Capex	-8	-8	-8	-8	-8	-8	-8				
Growth & Acquisition Capex	0	0	0	0	0	0	0				
Total Cashflow	544	464	485	503	495	487	479	484	489	494	4,451
Total operational NPV (USD 000's)		4,272									
Net debt/ cash		762									
Seed capital		0									
Total NPV		5,033									
Shares in issue		166									
Value per share (US\$)		30.38									
AUD/USD FX Rate		0.70									
Value per share (A\$)		43.33									

SOURCE: BELL POTTER SECURITIES

Valuation Sensitivity

We show our valuation relative to some alternative assumptions in the following tables.

In Figure 6, we show the sensitivity of our valuation to changes in equity returns and net flows. These two assumptions vary the amount of FUM and therefore group revenue.

The equity return assumption applies to the balance of 2022, (as we mark to market the model for the next quarter, reflecting current market levels) and 2023.

Our standard assumption is that equities return 6%/pa or 1.5%/pq, in 2022-2024, however we fade this return assumption to 4%/pa in 2025 and 2026, to reduce the dependence of the valuation on future investment returns and terminal values.

On the left-hand side of the table, we vary the flow rate applied to equities and equity type investments. Our base forecast is 5% outflows per year.

Our base case is highlighted in red. In Figure 7 we show the % change to our base valuation from varying assumptions.

Figure 6 - Valuation sensitivity to net flows (rows) & equity returns in 2022 and 2023 (columns)

	-2.0%	6.0%	8.0%	12.0%
0.0%	48.06	51.45	52.35	54.20
-5.0%	40.58	43.33	44.06	45.56
-7.5%	37.48	39.97	40.63	41.99
-10.0%	34.75	37.00	37.59	38.82

SOURCE: BELL POTTER SECURITIES

Figure 7 – As previous, % change from base

	-2.0%	6.0%	8.0%	12.0%
0.0%	11%	19%	21%	25%
-2.0%	-6%	-	2%	5%
-8.4%	-13%	-8%	-6%	-3%
-10.0%	-20%	-15%	-13%	-10%

SOURCE: BELL POTTER SECURITIES

In Figure 8 we show the sensitivity to our valuation to changing the discount rate and long-term growth assumption. The base case is a 11.2% discount rate and a long-term growth rate of 0% and is highlighted in red. In Figure 9 we show our sensitivity as a percentage change from our base case assumptions.

Figure 8 - Valuation vs Discount rate and LT nominal Growth

	8.0%	9.0%	11.2%	11.0%	12.0%
-2.0%	53.11	48.66	41.32	41.88	39.25
0.0%	58.08	52.32	43.33	44.00	40.89
1.0%	61.63	54.84	44.63	45.37	41.94
2.0%	66.37	58.08	46.21	47.05	43.20

SOURCE: BELL POTTER SECURITIES

Figure 9 - As previous, % change from base

	8.0%	9.0%	11.2%	11.0%	12.0%
-2.0%	23%	12%	-5%	-3%	-9%
0.0%	34%	21%	-	2%	-6%
1.0%	42%	27%	3%	5%	-3%
2.0%	53%	34%	7%	9%	0%

SOURCE: BELL POTTER SECURITIES

Relative valuations

In Figure 10 we compare the valuation JHG to a number of global peers. We use our forecasts for the companies we have under coverage and the Bloomberg Best Estimate as a proxy for consensus, for the others (as at 29 July). The multiples in the table have not been adjusted to normalise the different year ends. The Market Capitalisations have been adjusted to US\$bn to allow comparison.

We note that JHG is trading below 10x 2023 earnings, which is more in line with the lower growth European or US managers.

Figure 10 – Global asset managers – relative valuations

Name	BP Rec	(AUD)	Year end	Share Price	Share Price CCY	Market Cap (US\$ BN)	PE Forecast (X)	PE Next year (X)	EV/EBITDA forecast (X)	EV/EBITDA next year (X)	Dividend Yield Forecast (%)	Dividend Yield Next year (%)
US Stocks												
INVESCO LTD			Dec	17.25	USD	8.10	8.46	7.62	9.22	9.02	4.26	4.57
FRANKLIN RESOURCES INC			Sep	26.56	USD	13.38	7.59	9.01	8.94	9.34	4.38	4.60
FEDERATED HERMES INC			Dec	35.02	USD	3.00	12.46	10.73	9.22	8.59	3.18	3.36
T ROWE PRICE GROUP INC			Dec	120.78	USD	28.18	13.81	13.57	8.74	9.32	3.97	4.06
FEDERATED HERMES INC			Dec	35.02	USD	3.00	12.46	10.73	9.22	8.59	3.18	3.36
ALLIANCEBERNSTEIN HOLDING LP			Dec	42.52	USD	4.37	14.40	14.13	4.00	4.02	7.42	6.98
AFFILIATED MANAGERS GROUP			Dec	125.60	USD	5.02	6.95	6.49	8.97	8.96	0.03	0.03
BLACKROCK INC			Dec	659.98	USD	101.24	19.49	17.52	14.77	13.30	2.96	3.21
ARTISAN PARTNERS ASSET MA -A			Dec	39.41	USD	2.47	11.96	12.44	8.94	9.36	8.30	7.27
COHEN & STEERS INC			Dec	72.60	USD	3.60	19.36	17.78	14.92	15.30	3.62	2.97
IGM FINANCIAL INC			Dec	36.63	CAD	6.91	10.10	9.56	7.35	6.98	6.14	6.14
WISDOMTREE INVESTMENTS INC			Dec	5.29	USD	0.74	17.69	15.89	13.95	13.12	2.27	2.27
Simple Average							12.66	11.98	9.85	9.66	4.30	4.25
European Stocks												
SCHRODERS PLC			Dec	29.70	GBP	7.88	16.00	14.66	10.91	9.81	4.05	3.90
ABRDN PLC			Dec	1.66	GBP	4.25	16.91	14.04	12.41	10.42	8.81	8.57
MAN GROUP PLC/JERSEY			Dec	2.72	GBP	4.24	8.92	9.70	4.78	5.33	4.49	4.85
AMUNDI SA			Dec	53.65	EUR	10.98	9.32	9.04	7.39	7.17	7.22	7.36
DWS GROUP GMBH & CO KGAA			Dec	28.44	EUR	5.82	7.91	8.09	3.30	3.39	7.45	7.86
AZIMUT HOLDING SPA			Dec	16.87	EUR	2.43	6.92	6.64	5.00	4.75	8.15	8.98
Simple Average							11.00	10.36	7.30	6.81	6.70	6.92
Australian Stocks												
PLATINUM ASSET MANAGEMENT	Hold	1.70	Jun	1.82	AUD	0.75	9.34	13.08	5.25	7.31	10.99	7.69
PENDAL GROUP LTD	Buy	5.90	Sep	4.79	AUD	1.28	9.95	11.59	6.66	7.47	9.60	7.93
PERPETUAL LTD	Buy	38.40	Jun	30.30	AUD	1.20	11.70	12.78	7.32	7.76	7.21	6.94
JANUS HENDERSON GROUP-CDI	Buy	43.50	Dec	36.07	AUD	0.47	11.64	9.74	7.29	7.92	5.55	5.03
JANUS HENDERSON GROUP PLC			Dec	25.33	USD	4.17						
INSIGNIA FINANCIAL LTD			Jun	3.08	AUD	1.41	8.90	9.63	6.22	6.58	7.44	6.92
MAGELLAN FINANCIAL GROUP LTD			Jun	14.58	AUD	1.89	6.71	11.48	4.69	8.11	12.81	7.55
Simple Average							9.71	11.38	6.24	7.53	8.93	7.01

SOURCE: BLOOMBERG & BELL POTTER SECURITIES ESTIMATES (CLOSING PRICES AT 25 JULY)

Janus Henderson (JHG) overview

Company description

Janus Henderson Group plc is an asset management holding entity. Through its subsidiaries, the firm provides services to institutional, retail, and high net worth clients. It manages separate client-focused equity and fixed income portfolios. The firm also manages equity, fixed income, and balanced mutual funds for its clients. It also invests in real estate and private equity on behalf of its clients. Janus Henderson Group plc was founded in 1934 and is based in London, United Kingdom with additional offices in Jersey, United Kingdom and Sydney, Australia.

Investment thesis

The new CEO has joined and highlighted a number of areas of operational improvement.

The combination of resilient net management fee rates and operating margins mean that JHG is generating significant cash. This will enable it to continue to buy and cancel shares which should enhance returns to shareholders. While lower market levels reduce the free cash flow, they also affect the share price at which it buys back shares. We forecast JHG could cancel up to 5% of its shares every year, with a corresponding benefit to EPS.

The industry is consolidating in response to a number of pressures on the industry including fee pressures and net outflows, as investors seek specialist mandates or lower fees. Many asset managers are seeking scale to counter these pressures. A merger is not without risk, but offers the opportunity to gain scale, control cost and resist fee pressure and should therefore be a net positive.

Catalyst for change. The company has an activist investor, Trian, which has built a significant (19%) stake in the business and has two seats on the Board. Trian's statements suggest it is looking for changes in the business, such as cost reductions, exiting weaker businesses or seeking scale by merging with a rival.

Valuation

We value JHG using DCF valuation, with a WACC of 11.2% applied to EBITDA after tax.

We value the next 10 years EBITDA after tax at US\$2.9bn. We value the terminal value at US\$4.5bn, assuming a long-term real growth rate of 0.0%, which on a discounted basis gives a present value of US\$1.4bn. Adding the forecast end 2022 net cash of \$1.0bn less debt of \$300m, gives a value for the business of US\$5.0bn or US\$30.38 per share at end 2022. Using the current AUDUSD exchange rate of 0.70 gives a valuation of A\$43.33 per share.

Risks

JHG is subject to all of the following risks:

Key people risk: The loss of any key investment personnel may result in the loss of investment mandates.

Performance and net flows: JHG's ability to attract and retain funds paying high levels of active management fees, depends in part upon showing a track record and on-going capability to achieve performance criteria.

Market risk: Management fees are usually based upon market values of the assets under management. Any significant movements in asset prices can have a material impact on JHG's revenue and earnings.

Currency risk: JHG operates funds in multiple currencies, in addition to operating in different markets. Given the share price is in AUD and FUM is reflected in USD, any major movements against the share price currency can significantly impact the USD earnings and subsequently, the valuation of the group.

Regulatory risk: JHG is regulated by multiple agencies in different jurisdictions and changes in the regulatory regimes under which it operates may increase compliance costs and/or increase the capital requirements of the group.

Move to index funds: clients may seek out cheaper passive alternatives in favour of active investment management.

Data, information technology and outsourcing: JHG and its investment teams rely on a wide range of data sources and technology in the day-to-day management of the Funds. Provision of such, and other functions (such as fund accounting and custody) may be outsourced to third parties. JHG may be face reputational risk and/or be liable for losses as a result of the failure of one of these parties, in its role of managing assets on behalf of its clients.

Table 1 - Financial summary

Janus Henderson (JHG)						Price Target (A\$) Recommendation:	43.50 Buy	Share Price (A\$) Market Cap (A\$b)	36.78 5.99		
INCOME STATEMENT						VALUATION DATA					
Y/e December 31 (US\$m)	2020a	2021a	2022e	2023e	2024e	Y/e December 31 (US\$m)	2020a	2021a	2022e	2023e	2024e
Reported Revenue	2,298.6	2,767.0	2,056.9	1,863.0	1,855.8	Net profit underlying (US\$m)	637.5	755.0	364.2	430.8	452.0
Distribution costs	464.4	551.6	425.2	385.1	383.6	Underlying EPS (USc)	347.4	448.1	217.6	260.0	272.7
Pro forma adjusted revenue	1,834.2	2,215.4	1,631.7	1,477.9	1,472.2	EPS growth (US%)	19.5%	29.0%	-51.4%	19.5%	4.9%
Underlying expenses	1,087.9	1,208.6	972.8	884.3	851.2	Adjusted EPS (AUc)	450.8	597.6	294.1	351.4	368.6
Underlying EBITDA	746.3	1,006.8	658.8	593.6	620.9	EPS growth (AU%)	17.6%	32.6%	-50.8%	19.5%	4.9%
One-off expenses (included in reported)	12.8	10.4	33.6	18.8	18.8	CASH P/E ratio (x)	8.2	6.2	12.5	10.5	10.0
Reported EBITDA	733.5	996.4	625.2	574.8	602.1	CFPS (c)	357	531	311	273	286
Underlying D&A	24.4	25.1	24.6	25.2	25.2	Price/CF (x)	7.1	4.8	8.1	9.3	8.9
Underlying EBIT	721.9	981.7	634.2	568.4	595.7	DPS (AUc) ^{^^}	197.9	202.7	190.0	172.2	180.6
Acquisition related Amort.	12.4	7.8	4.0	2.8	2.8	Yield (%)	5.4%	5.5%	5.2%	4.7%	4.9%
Reported EBIT (Adj op inc)	696.7	963.5	596.6	546.8	574.1	Franking (%)	0%	0%	0%	0%	0%
Underlying interest expense	12.9	12.8	11.8	10.8	10.8	EV/EBITDA (x)	4.6	3.4	5.2	5.8	5.5
Underlying investment gains (losses)	57.5	0.8	-141.6	0.0	0.0	Price/book (x)	1.0	0.9	1.0	0.9	0.9
Underlying non-operating income	39.7	8.8	-9.5	0.0	0.0	NTA (\$)	3.61	4.43	2.84	4.33	5.90
Other one-off non-operating income	0.0	3.1	0.0	0.0	0.0	PROFITABILITY RATIOS					
Underlying EBT	806.2	978.5	471.3	557.6	584.9	Y/e December 31 (US\$m)	2020a	2021a	2022e	2023e	...
Reported EBT	781.0	963.4	433.7	536.0	563.3	EBIT/sales (%)	31.4%	35.5%	30.8%	30.5%	32.1%
Underlying tax expense	155.3	222.5	107.2	126.8	133.0	Return on assets (%)	9.2%	11.3%	5.3%	6.0%	6.1%
One-off related tax expense (offset)	-78.2	0.4	0.0	-4.9	-4.9	Return on equity (%)	13.4%	16.1%	8.0%	9.6%	9.6%
Minorities	-13.4	-1.0	0.0	0.0	0.0	Dividend cover (x)	2.6	2.9	1.4	2.0	2.0
Underlying NPAT	637.5	755.0	364.2	430.8	452.0	Effective tax rate (%)	19.3%	22.7%	22.7%	22.7%	22.7%
Reported NPAT	690.5	739.5	326.6	414.2	435.3	LIQUIDITY AND LEVERAGE RATIOS					
CASHFLOW						Y/e December 31 (US\$m)	2020a	2021a	2022e	2023e	2024e
Y/e December 31 (US\$m)	2020a	2021a	2022e	2023e	2024e	Net debt/(cash) (US\$m)	-786.4	-796.9	-510.4	-761.6	-1,020.4
EBITDA	733.5	996.4	625.2	574.8	602.1	Net debt/equity (%)	-17%	-17%	-12%	-16%	-21%
Net interest	0.0	0.0	0.0	0.0	0.0	Current ratio (x)	3.0	3.1	4.3	4.6	5.0
Tax paid	-77.1	-217.6	-107.2	-121.9	-128.1	INTERIMS					
Other	0.0	116.6	0.0	0.0	0.0	Half end June 30 (US\$m)	1H20a	1H21a	1H22e	1H23e	1H24e
Operating cashflow	656.4	895.4	518.1	453.0	474.1	Sales revenue	1072.9	1382.4	1142.0	929.3	925.6
Capex	-25.9	-9.2	-8.0	-8.0	-8.0	EBIT	317.8	479.7	354.9	283.6	297.2
Investments	0.0	0.0	0.0	0.0	0.0	Pre tax profit	351.9	473.9	197.4	278.2	291.8
Asset sales/(purchases)	0.0	-274.1	0.0	0.0	0.0	Adjusted profit	337.0	477.8	170.6	267.4	281.0
Other	0.0	0.0	0.0	0.0	0.0	Reported profit	376.2	355.0	125.7	206.6	217.1
Investing cashflow	-25.9	-283.3	-8.0	-8.0	-8.0	Interim DPS (AUcents) ^{^^}	104.3	101.4	105.4	85.9	90.1
Equity raised/bought	-130.8	-443.9	0.0	0.0	0.0	Interim adjusted EPS (cents)	146.9	199.1	92.7	129.7	136.0
Dividends paid	-272.6	-256.5	-262.8	-209.0	-216.3	BALANCE SHEET					
Other moves	138.7	95.9	-535.3	15.2	9.0	Y/e December 31 (US\$m)	2020a	2021a	2022e	2023e	2024e
Financing cashflow	-264.7	-604.5	-798.1	-193.8	-207.3	Cash	1,099.7	1,107.3	819.3	1,070.5	1,329.3
Net change in cash	365.8	7.6	-288.0	251.2	258.8	Receivables	373.6	351.6	233.0	237.8	236.9
Cash at end of period	1099.7	1107.3	819.3	1070.5	1329.3	PPE	77.9	63.3	52.6	52.6	52.6
						Intangibles	4,070.2	3,917.0	3,950.3	3,922.3	3,894.3
						Other	1,069.4	1,288.3	1,975.0	1,975.0	1,975.0
						Total assets	6,690.8	6,727.5	7,030.2	7,258.2	7,488.1
						Payables	232.1	271.6	180.0	183.7	183.0
						Debt	313.3	310.4	308.9	308.9	308.9
						Provisions	424.7	465.7	308.6	315.0	313.8
						Other	901.1	853.2	889.1	889.1	889.1
						Total liabilities	1,957.0	2,064.3	2,607.7	2,617.7	2,615.9
						Shareholders' equity	4,085.6	4,025.4	3,922.1	3,922.1	3,922.1
						Total shareholders funds	4,733.8	4,663.2	4,422.5	4,640.4	4,872.2
						W/A shares on issue*	183.8	168.5	167.4	165.7	165.7

^{^^} Dividends are paid on a quarterly basis

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
Chris Savage	Head of Research/Industrials	612 8224 2835	csavage
Analysts			
John Hester	Healthcare	612 8224 2871	jhester
Anubhav Saxena	Healthcare	612 8224 2846	asaxena
Tara Speranza	Healthcare	612 8224 2815	tsperanza
Michael Ardrey	Industrials	613 9256 8782	mardrey
Marcus Barnard	Industrials	618 9326 7673	mbarnard
Sam Brandwood	Industrials	612 8224 2850	sbrandwood
Olivia Hagglund	Industrials	612 8224 2813	ohagglund
Chami Ratnapala	Industrials	612 8224 2845	cratnapala
Jonathan Snape	Industrials	613 9235 1601	jsnape
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9235 1856	showe
Brad Watson	Resources	618 9326 7672	bwatson
Regan Burrows	Resources	618 9326 7677	rburrows
Joseph House	Resources	613 9235 1624	jhouse
Associates			
Daniel Laing	Associate Analyst	613 9256 2886	dlaing
Thomas Sima	Associate Analyst	612 8224 2843	tsima

Research Coverage & Policies

For Bell Potter Securities' Research Coverage Decision Making Process and Research Independence Policy please refer to our company website: <https://bellpotter.com.au/research-independence-policy/>.

Authoring Research Analyst's Certification

The Authoring Research Analyst is responsible for the content of this Research Report, and, certifies that with respect to each security that the Analyst covered in this Report (1) all the views expressed accurately reflect the Analyst's personal views about those securities and were prepared in an independent manner and (2) no part of the Analyst's compensation was, is or will be, directly or indirectly, related to specific recommendations or views expressed by that Research Analyst in the Research Report.

Research Analyst's Compensation

Research Analyst's compensation is determined by Bell Potter Securities Research Management and Bell Potter Securities' Senior Management and is based upon activities and services intended to benefit the investor clients of Bell Potter Securities Ltd. Compensation is not linked to specific transactions or recommendations. Like all Company employees Research Analysts receive compensation that is impacted by overall Company profitability.

Prices

The Price appearing in the Recommendation panel on page 1 of the Research Report is the Closing Price on the Date of the Research Report (appearing in the top right hand corner of page 1 of the Research Report), unless a before midday (am) time appears below the Date of the Research Report in which case the Price appearing in the Recommendation panel will be the Closing Price on the business day prior to the Date of the Research Report.

Availability

The completion and first dissemination of a Recommendation made within a Research Report are shortly after the close of the Market on the Date of the Research Report, unless a before midday (am) time appears below the Date of the Research Report in which case the Research Report will be completed and first disseminated shortly after that am time

Dissemination

Bell Potter generally disseminates its Research to the Company's Institutional and Private Clients via both proprietary and non-proprietary electronic distribution platforms. Certain Research may be disseminated only via the Company's proprietary distribution platforms; however such Research will not contain changes to earnings forecasts, target price, investment or risk rating or investment thesis or be otherwise inconsistent with the Author's previously published Research. Certain Research is made available only to institutional investors to satisfy regulatory requirements. Individual Bell Potter Research Analysts may also opt to circulate published Research to one or more Clients by email; such email distribution is discretionary and is done only after the Research has been disseminated. The level and types of service provided by Bell Potter Research Analysts to Clients may vary depending on various factors such as the Client's individual preferences as to frequency and manner of receiving communications from Analysts, the Client's risk profile and investment focus and perspective (e.g. market-wide, sector specific long term and short term etc.) the size and scope of the overall Client relationship with the Company and legal and regulatory constraints.

Disclaimers

This Research Report is a private communication to Clients and is not intended for public circulation or for the use of any third party, without the prior written approval of Bell Potter Securities Limited.

The Research Report is for informational purposes only and is not intended as an offer or solicitation for the purpose of sale of a security. Any decision to purchase securities mentioned in the Report must take into account existing public information on such security or any registered prospectus.

This is general investment advice only and does not constitute personal advice to any person. Because this Research Report has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited Broker (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this Research Report.

While this Research Report is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in this document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee expressly or impliedly, that the information contained in this Research Report is complete or accurate.

Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views, opinions or recommendations contained in this Research Report or for correcting any error or omission which may have become apparent after the Research Report has been issued.

Bell Potter Securities Research Department has received assistance from the Company referred to in this Research Report including but not limited to discussions with management of the Company. Bell Potter Securities Policy prohibits Research Analysts sending draft Recommendations, Valuations and Price Targets to subject companies. However, it should be presumed that the Author of the Research Report has had discussions with the subject Company to ensure factual accuracy prior to publication.

All opinions, projections and estimates constitute the judgement of the Author as of the Date of the Research Report and these, plus any other information contained in the Research Report, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice.

Notwithstanding other departments within Bell Potter Securities Limited advising the subject Company, information obtained in such role is not used in the preparation of the Research Report.

Although Bell Potter Research does not set a predetermined frequency for publication, if the Research Report is a fundamental equity research report it is the intention of Bell Potter Research to provide research coverage of the covered issuers, including in response to news affecting the issuer. For non-fundamental Research Reports, Bell Potter Research may not provide regular updates to the views, recommendations and facts included in the reports.

Notwithstanding that Bell Potter maintains coverage on, makes recommendations concerning or discusses issuers, Bell Potter Research may be periodically restricted from referencing certain Issuers due to legal or policy reasons. Where the component of a published trade idea is subject to a restriction, the trade idea will be removed from any list of open trade ideas included in the Research Report. Upon lifting of the restriction, the trade idea will either be re-instated in the open trade ideas list if the Analyst continues to support it or it will be officially closed.

Bell Potter Research may provide different research products and services to different classes of clients (for example based upon long-term or short term investment horizons) that may lead to differing conclusions or recommendations that could impact the price of a security contrary to the recommendations in the alternative Research Report, provided each is consistent with the rating system for each respective Research Report.

Except in so far as liability under any statute cannot be excluded, Bell Potter Securities Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in the document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of the document or any other person.

In the USA and the UK this Research Report is only for institutional investors. It is not for release, publication or distribution in whole or in part in the two specified countries. In Hong Kong this Research Report is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. In the United States this Research Report is being distributed by Bell Potter Securities (US) LLC which is a registered broker-dealer and member of FINRA. Any person receiving this Research Report from Bell Potter Securities (US) LLC and wishing to transact in any security described herein should do so with Bell Potter Securities (US) LLC.

Bell Potter Securities Limited

ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited

Room 1701, 17/F
Prosperity Tower, 39 Queens
Road Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC

Floor 39
444 Madison Avenue, New York
NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited

16 Berkeley Street London, England
W1J 8DZ, United Kingdom
Telephone +44 7734 2929