



Franklin Resources, Inc.

Third Quarter 2025 Results

August 1, 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.

Third Quarter 2025 Business Highlights



AUM and Flow Trends

- Ending AUM of \$1.61 trillion; average AUM of \$1.57 trillion
- Long-term net outflows of \$9.3 billion compared to \$26.2 billion in prior quarter
 - Excluding Western Asset Management (“Western”), long-term net inflows were \$7.8 billion (7th consecutive quarter of positive net flows excluding Western)
 - Positive net flows in Alternatives and Multi-Asset with a combined total of \$4.3 billion
- Institutional pipeline of won but unfunded mandates increased by net \$4.0 billion to a record \$24.4 billion

Key Areas of Growth

- **Alternative** AUM increased to \$258 billion
 - Fundraised \$6.2 billion in Alternatives, including \$5.3 billion in private market assets broadly distributed across strategies
 - In June, announced the acquisition of Apera Asset Management, a pan-European private credit firm with approximately \$5.7 billion in AUM, to expand our direct lending capabilities across Europe’s growing lower middle market; bringing our pro forma private credit AUM to nearly \$90 billion
- Progress in the **insurance channel**, particularly in sub-advisory mandates, with \$7.5 billion of AUM won but not funded this quarter
- **Diversification across vehicles**
 - ETF: \$4.3 billion of net flows (15th consecutive positive quarter) with record high AUM of \$44.1 billion; 11 US and 2 non-US ETFs with over \$1 billion in AUM
 - Retail SMA AUM of \$156.3 billion with net inflows of \$1.2 billion
 - Canvas® AUM of \$13.7 billion, up 20% over prior quarter with \$1.1 billion in net flows
- **Non-US AUM** of approximately \$497 billion with positive net flows
- **Digital Assets**: launched intraday yield feature on Benji, our tokenized money market fund

Investment Performance

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

Third Quarter 2025 Financial Summary¹



Key metrics

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

	Q3 2025	Q2 2025	Q3 2024
Ending AUM ²	\$ 1,611.8	\$ 1,540.6	\$ 1,646.6
Average AUM ²	1,565.2	1,570.5	1,632.6
Adj. revenue	1,593.2	1,610.2	1,654.1
Adj. operating income	377.8	377.2	424.9
Adj. net income	263.4	254.4	326.4
Adj. diluted EPS	0.49	0.47	0.60
Adj. effective fee rate ³	37.5 bps	38.3 bps	37.5 bps
Adj. operating margin	23.7%	23.4%	25.7%

- **AUM** of \$1.61 trillion increased from the prior quarter due to the impact of positive markets, long-term net inflows excluding Western, partially offset by long-term net outflows at Western. Average AUM decreased by 0.3% due to higher AUM entering the prior quarter
- **Adjusted effective fee rate³** (“EFR”) of 37.5 bps compared to 38.3 bps in the prior quarter, and 37.5 bps in the prior year quarter. The decline in EFR reflects the impact of significant intra-quarter daily volatility that caused an unusual dispersion between simple monthly average AUM and daily average AUM
- **Adjusted operating income** stayed flat from the prior quarter driven by lower compensation expense, including lower sales commissions, offset by the impact of Western outflows and lower average AUM
- **Adjusted net income and EPS** increased from the prior quarter primarily due to losses on investments in the prior quarter and higher investment income, partially offset by a higher tax rate and foreign exchange losses

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 \$13.5 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 simple monthly average AUM for the period.

Third Quarter 2025

AUM and Investment Performance

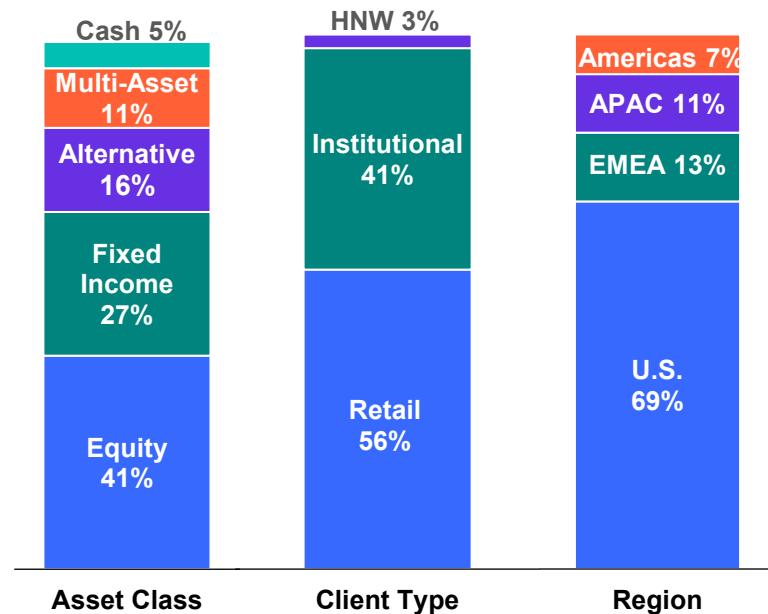


Diversification by Asset Class, Client Type, Region, and Specialist Investment Manager (“SIM”)



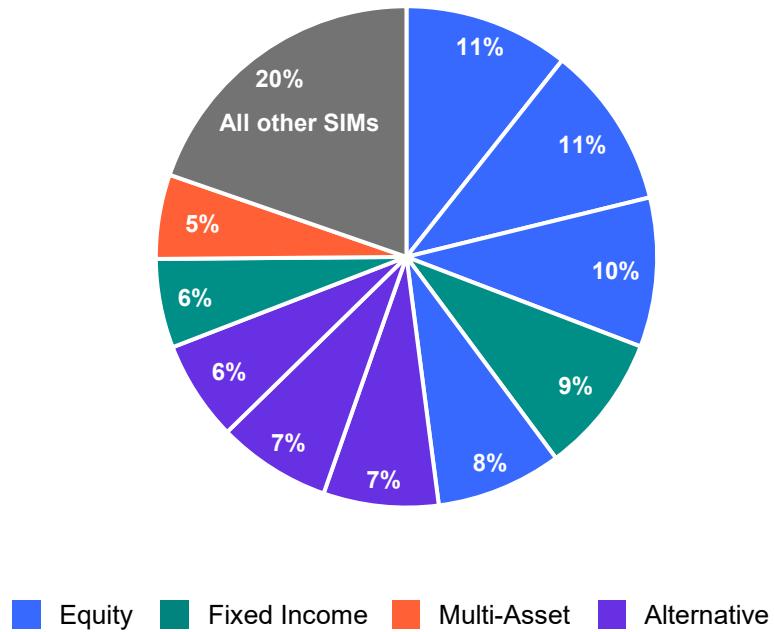
AUM by asset class, client type, and region

AUM of \$1.61 trillion as of June 30, 2025



Q3 Adjusted Operating Revenue by SIM

As of June 30, 2025



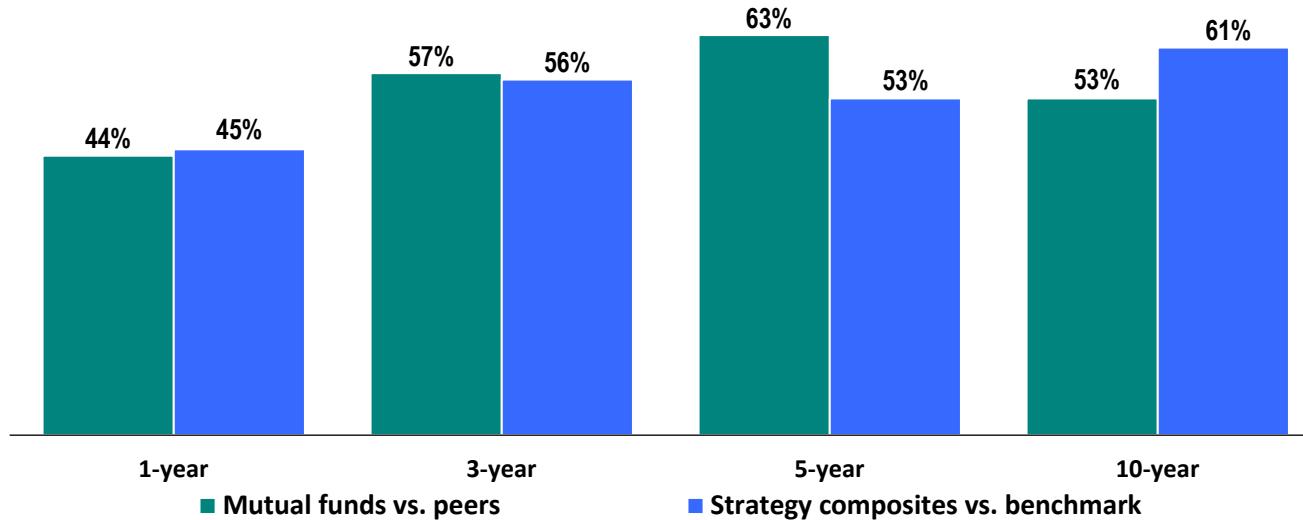
- Our AUM is diversified across asset class, client type, region, and investment teams

Investment Performance Summary



Percentage of AUM above peer median and benchmark¹

As of June 30, 2025



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

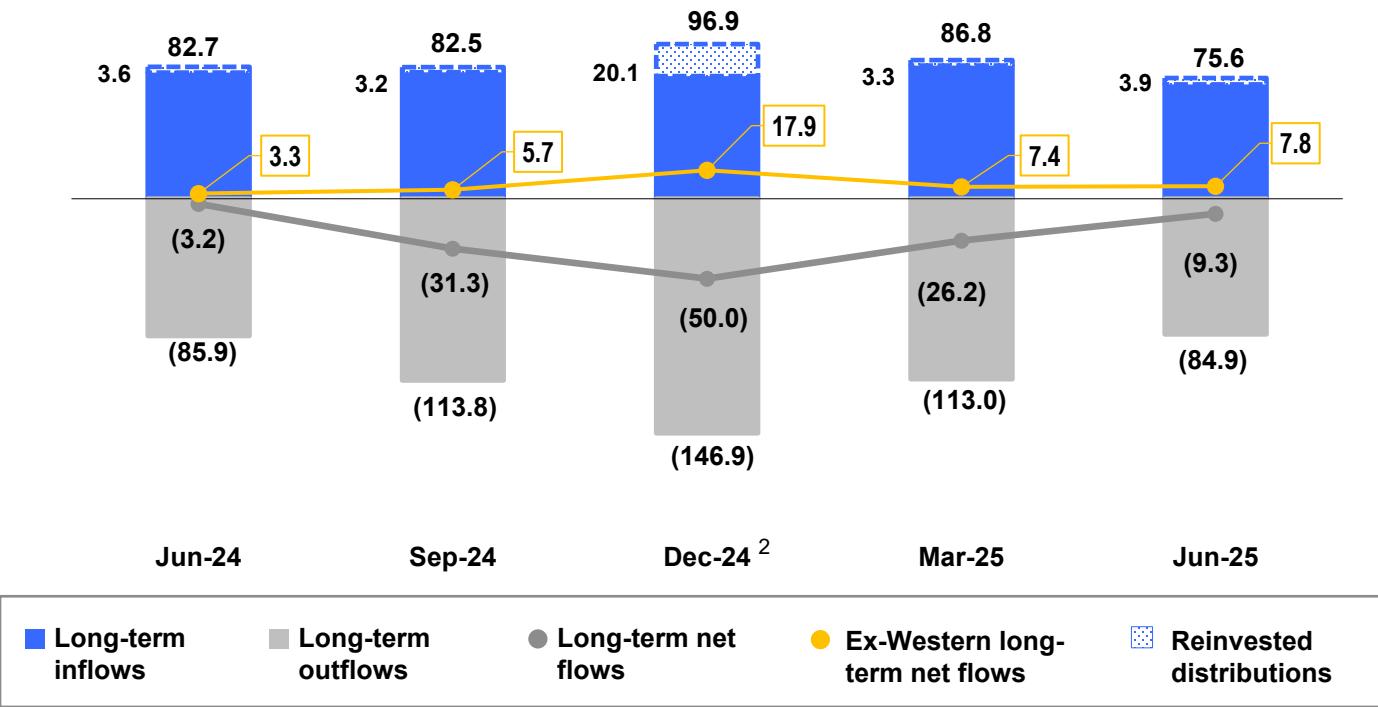
¹) Benchmark comparisons are based on each strategy's composite returns (composites may include retail SMA and mutual fund assets managed as part of the same strategy) as compared to a market index that has been selected to be generally consistent with the investment objectives of the account. Multi-asset strategies that lack benchmarks consistent with their investment objectives are excluded. Composite AUM measured for the 1-, 3-, 5-, and 10-year periods represent 56%, 55%, 55%, and 50%, respectively, of the firm's total AUM as of June 30, 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%, 39%, 38%, and 36%, respectively, of the firm's total AUM as of June 30, 2025.

AUM and Flows¹

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



Total AUM: \$1.61 trillion



- This quarter, long-term net outflows included \$17.1 billion of net outflows at Western. Excluding Western, long-term net inflows were \$7.8 billion, compared to \$7.4 billion in the prior quarter, and \$3.3 billion in the prior year quarter (7th consecutive quarter of long-term net inflows excluding Western)
- Institutional pipeline of won but unfunded mandates increased by net \$4.0 billion to \$24.4 billion from the prior quarter. The pipeline remains diversified by asset class and across our specialist investment teams

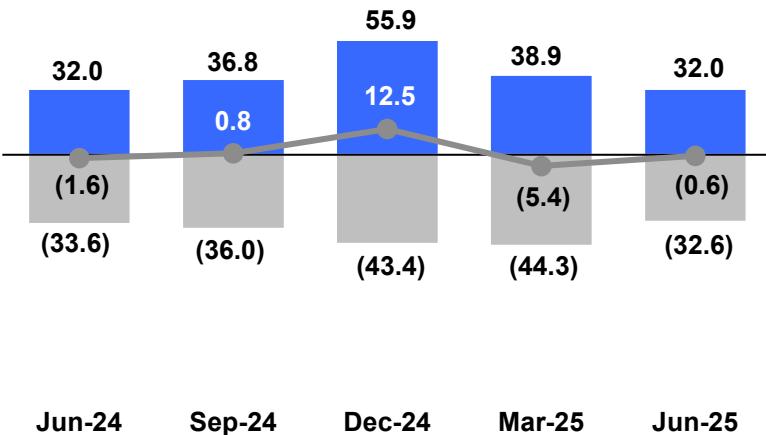
1) Excludes all cash management flows. 2) Long-term inflows and outflows were each revised from previously reported amounts to reflect fund activity of \$0.9 billion settling in January 2025. The revision did not impact net flows or ending AUM.

AUM and Flows

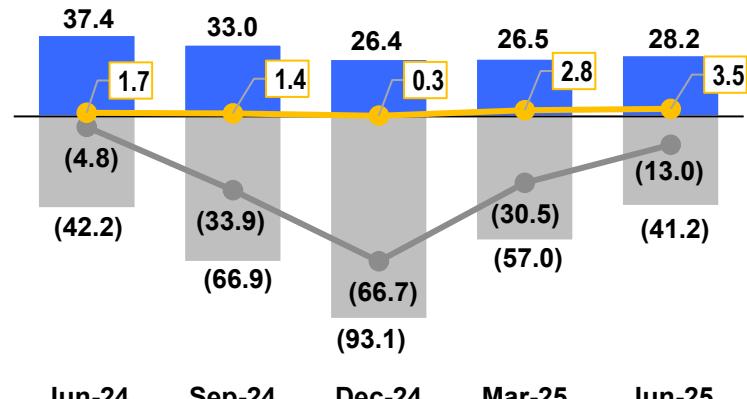
(in US\$ billions, for the three months ended)



Equity: \$657 billion



Fixed Income: \$442 billion



- Equity net outflows were \$645 million due to market volatility which impacted growth strategies
- Positive net flows into large cap value, emerging markets, smart beta, and international strategies

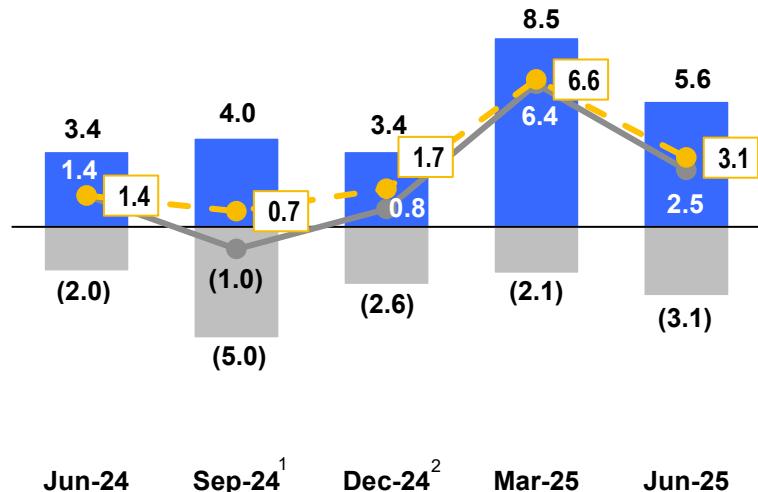
- Fixed income net outflows were \$13.0 billion. Excluding Western, fixed income net inflows were \$3.5 billion
- FT Fixed Income and Brandywine Global generated positive net flows totaling \$3.4 billion in the quarter
- Excluding Western, fixed income generated positive net flows for 6 consecutive quarters
- Positive net flows into munis, high yield, stable value, and multi-sector strategies

AUM and Flows

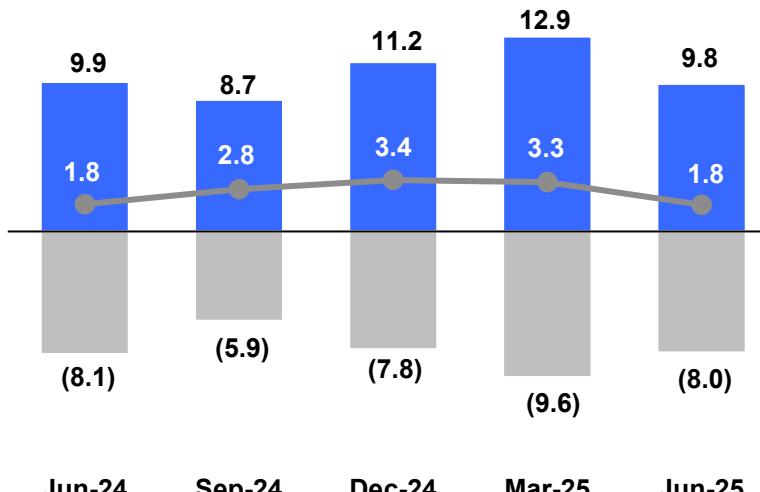
(in US\$ billions, for the three months ended)



Alternative: \$258 billion



Multi-Asset: \$183 billion



- \$5.6 billion of inflows³ represents fee generating capital raised or called in this quarter
- \$6.2 billion was fundraised in the quarter, which includes \$5.3 billion in private market assets⁴, representing both fee and non-fee generating capital
- Aggregate realizations and distributions⁵ were \$3.0 billion

See page 17 for additional detail

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.

Third Quarter 2025 Financial Results



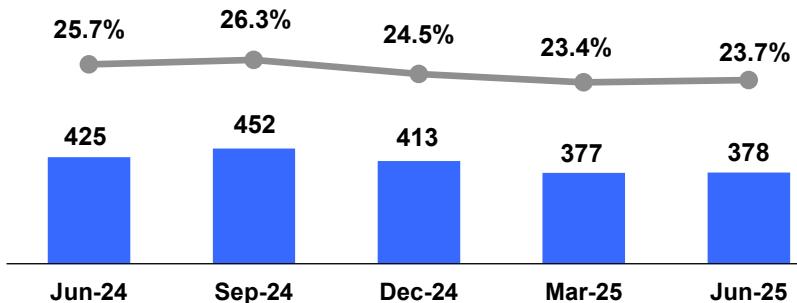
Financial Results¹

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



US GAAP	Jun-24	Sep-24 ²	Dec-24	Mar-25	Jun-25
Operating Income	222.5	(150.7)	219.0	145.6	154.1
Operating Margin	10.5%	(6.8%)	9.7%	6.9%	7.5%

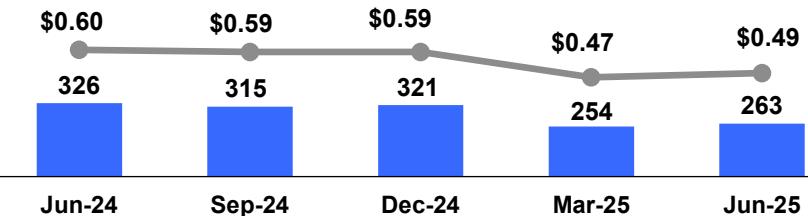
Adjusted operating income and adjusted operating margin



- Adjusted operating income stayed flat from the prior quarter driven by lower compensation expense and lower sales commissions, offset by the impact of Western outflows and lower average AUM
- Adjusted operating income declined 11.1% from the prior year quarter primarily due to the impact of Western outflows, and higher spend on strategic initiatives, partially offset by higher average AUM and the realization of cost savings initiatives

US GAAP	Jun-24	Sep-24 ²	Dec-24	Mar-25	Jun-25
Net Income	174.0	(84.7)	163.6	151.4	92.3
Diluted EPS	\$0.32	(\$0.17)	\$0.29	\$0.26	\$0.15

Adjusted net income and adjusted diluted earnings per share



- Adjusted net income and EPS increased by 3.5% and 4.3% from the prior quarter, respectively, primarily due to losses on investments in the prior quarter, and higher investment income, partially offset by a higher tax rate and foreign exchange losses
- Adjusted net income and EPS declined by 19.3% and 18.3% from the prior year quarter, respectively, reflecting lower adjusted operating income, lower income on investments, and foreign exchange losses in the current quarter as compared to gains in the prior year quarter, and a higher tax rate

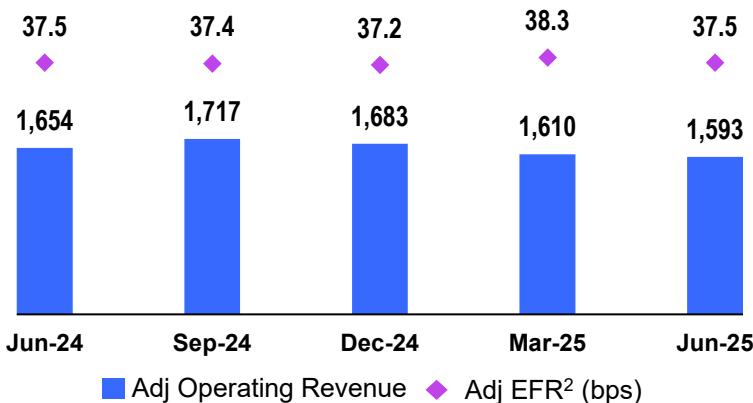
1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this investor presentation and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical investor presentations available at franklinresources.com. 2) GAAP financial results include a \$389.2 million non-cash impairment of an indefinite-lived intangible asset related to certain mutual fund contracts managed by Western.

Financial Results¹

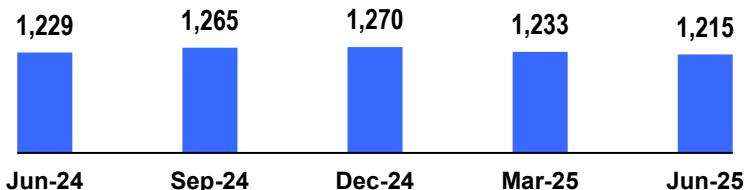
(Non-GAAP in US\$ millions except EFR)



Adjusted operating revenue and effective fee rate²



Adjusted operating expenses



- Adjusted operating revenue declined 1.1% from the prior quarter primarily due to the impact of Western outflows and lower average AUM, partially offset by higher performance fees and the impact of an additional calendar day
- Adjusted operating revenue declined 3.7% from the prior year quarter primarily due to the impact of Western outflows, partially offset by higher average AUM
- Adjusted performance fees were \$58.5 million compared to \$55.7 million in the prior quarter and \$56.6 million in prior year quarter
- Adjusted EFR² of 37.5 bps compared to 38.3 bps in the prior quarter, and 37.5 bps in the prior year quarter. The decline in EFR from the prior quarter reflects the impact of significant intra-quarter daily volatility that caused an unusual dispersion between simple monthly average AUM and daily average AUM

- Adjusted operating expenses decreased by 1.4% from the prior quarter primarily due to lower compensation expense, including lower sales commissions, partially offset by higher spend on strategic initiatives
- Adjusted operating expenses decreased by 1.1% from the prior year quarter primarily due to the realization of cost savings initiatives and the consolidation of NYC office space, partially offset by higher spend on strategic initiatives

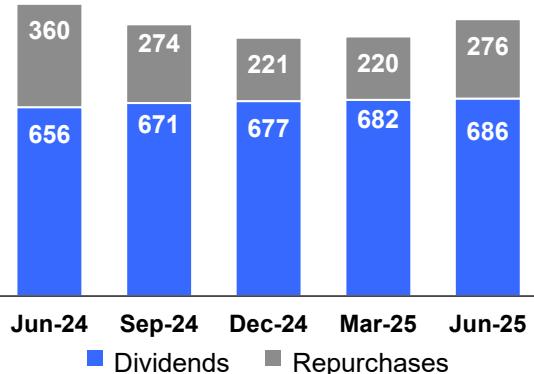
1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this investor presentation and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical investor presentations available at franklinresources.com. 2) The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

Capital Management



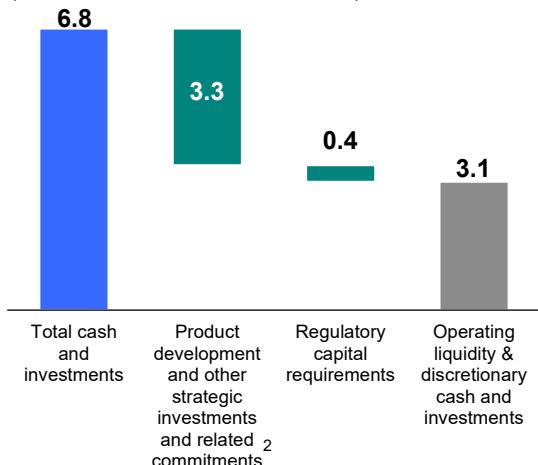
Dividends and share repurchases

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



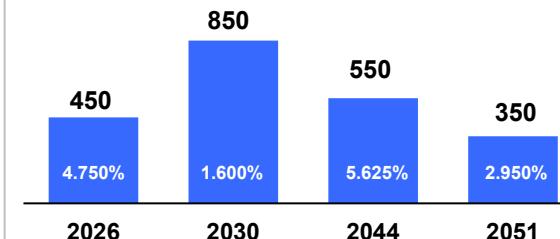
Allocation of cash and investments¹

(In US\$ billions, as of June 30, 2025)



Senior Notes³

(In US\$ millions, as of June 30, 2025)



Shareholder Return

- In May, we announced a quarterly cash dividend of \$0.32 per share, a 3.2% increase over the dividends paid in the prior year quarter
- During the quarter, we returned \$329 million to shareholders including \$171 million in dividends and \$157 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 \$6.8 billion¹ as of June 30, 2025 compared to \$6.1 billion as of March 31, 2025
- 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 million of which was outstanding as of June 30, 2025
- Approximately \$790 million of nominal cash tax benefits available related to acquisitions, which we expect to realize over the next 15 years

Senior Notes

- As of June 30, 2025, we maintained senior debt with an aggregate principal amount due of \$2.2 billion³. Interest due to note holders was \$23.0 million compared to \$23.0 million in the prior quarter and \$24.4 million in the prior year quarter

¹) Includes our direct investments in Consolidated Investment Products of \$929 million and approximately \$366 million of employee-owned and other third-party investments made through partnerships, approximately \$429 million of investments related to long-term repurchase agreements and other net financing arrangements, and approximately \$444 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	June 30,	Mar 31,	% Change	June 30,	% Change
	2025	2025		2024	
Beginning AUM	\$1,540.6	\$1,575.7	(2.2%)	\$1,644.7	(6.3%)
Long-term inflows	75.6	86.8	(12.9%)	82.7	(8.6%)
Long-term outflows	(84.9)	(113.0)	(24.9%)	(85.9)	(1.2%)
Long-term net flows	(9.3)	(26.2)	(64.5%)	(3.2)	NM
Cash management net flows	2.7	2.7	NM	3.0	(10.0%)
Total net flows	(6.6)	(23.5)	(72.3%)	(0.2)	NM
Dispositions	(0.2)	-	NM	-	NM
Net market change, dist. & other	78.0	(11.6)	NM	2.1	NM
Ending AUM	\$1,611.8	\$1,540.6	4.6%	\$1,646.6	(2.1%)
Average AUM²	\$1,565.2	\$1,570.5	(0.3%)	\$1,632.6	(4.1%)

1) Excludes approximately \$13.5 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.

Alternative AUM Roll Forward

(in US\$ billions)



Three months ended June 30, 2025

	<u>Private Markets¹</u>	<u>Liquid & Other</u>	<u>Total</u>
Beginning Balance	\$231.1	\$20.7	\$251.8
Fundraising ¹	5.3	0.9	6.2
Outflows	(1.9)	(1.2)	(3.2)
Realizations & distributions ²	(2.9)	(0.1)	(3.0)
Net market change, FX, other	6.0	0.5	6.5
Ending AUM	\$237.6	\$20.9	\$258.4

- \$6.2 billion was fundraised in the quarter, which includes \$5.3 billion in private market assets¹, representing both fee and non-fee generating capital
- \$5.6 billion of inflows (on page 10) represents fee-generating capital raised or called in this quarter
- Aggregate realizations and distributions² were \$3.0 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

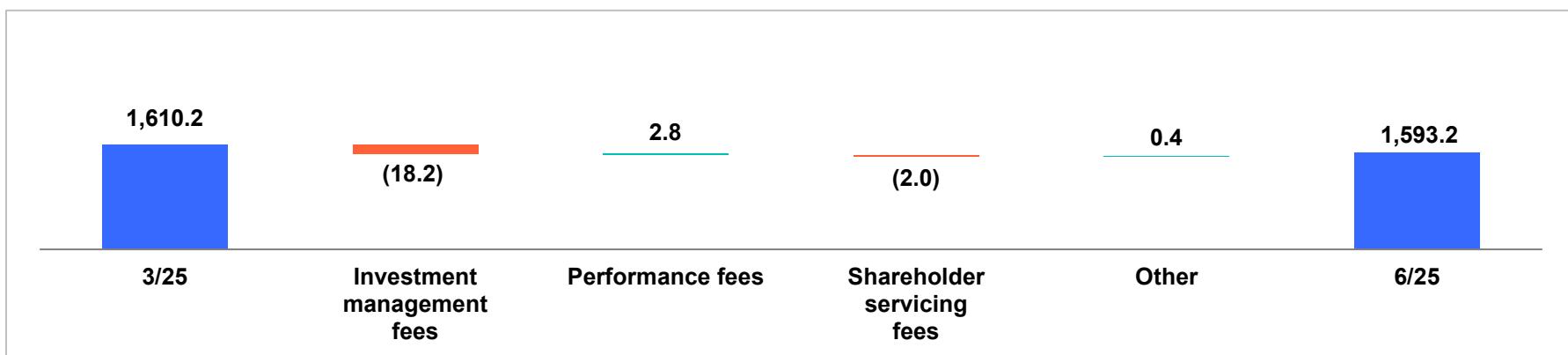
(GAAP and non-GAAP in US\$ millions except per share data, for the three months ended)



Revenues¹

	Jun-25 US GAAP	Adjustments	Jun-25 Adjusted	Mar-25 Adjusted	Jun-25 Adjusted vs. Mar-25 Adjusted	Jun-24 Adjusted	Jun-25 Adjusted vs. Jun-24 Adjusted
Investment management fees, ex. performance fees	1,580.2	(116.8)	1,463.4	1,481.6	(1%)	1,522.8	(4%)
Performance fees	60.6	(2.1)	58.5	55.7	5%	56.6	3%
Sales and distribution fees	351.9	(351.9)	-	-	NM	-	NM
Shareholder servicing fees	59.9	-	59.9	61.9	(3%)	61.8	(3%)
Other	11.4	-	11.4	11.0	4%	12.9	(12%)
Total Operating Revenues	2,064.0	(470.8)	1,593.2	1,610.2	(1%)	1,654.1	(4%)
<i>Effective fee rate²</i>			37.5 bps	38.3 bps		37.5 bps	

Adjusted Operating Revenues – Quarters Ended March 31, 2025 and June 30, 2025



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

Financial Results

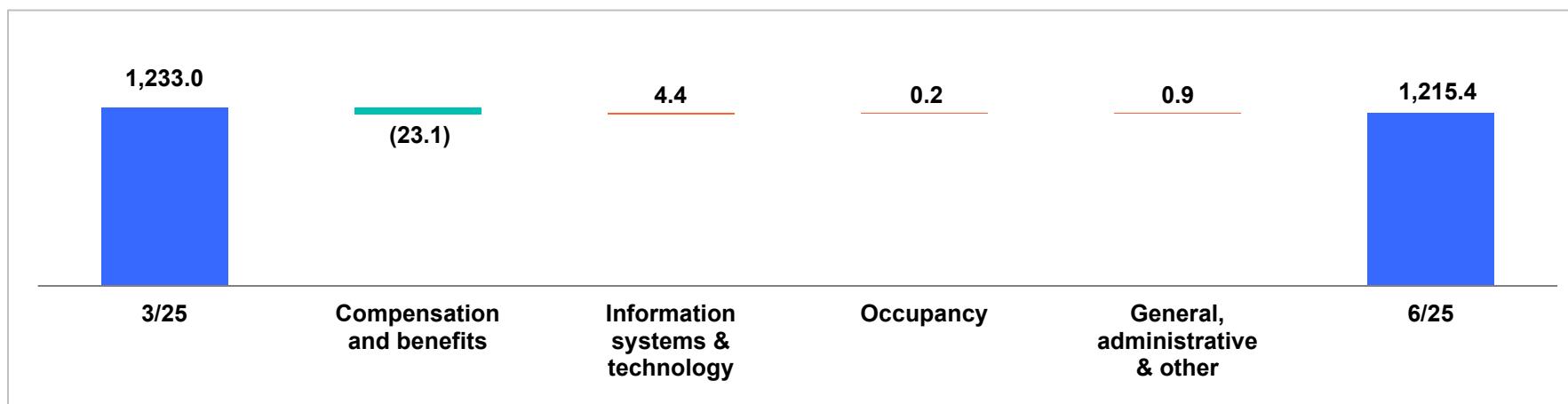
(GAAP and non-GAAP in US\$ millions except per share data, for the three months ended)



Expenses¹

	Jun-25		Jun-25		Mar-25		Mar-25		Jun-24		Jun-24	
	US GAAP		Adjustments		Adjusted		Adjusted		Adjusted		Adjusted	
	Jun-25	Jun-25	Jun-25	Jun-25	Jun-25	Jun-25	Jun-25	Jun-25	Jun-25	Jun-25	Jun-25	Jun-25
Compensation & benefits	901.1	(91.2)		809.9		833.0	(3%)		821.3		(1%)	
Sales, distribution & marketing	480.7	(480.7)		-		-	NM		-		NM	
Information systems & technology	162.7	(9.4)		153.3		148.9	3%		148.9		3%	
Occupancy	69.5	-		69.5		69.3	0%		76.6		(9%)	
Amortization of intangible assets	112.2	(112.2)		-		-	NM		-		NM	
General, administrative & other	183.7	(1.0)		182.7		181.8	(1%)		182.4		0%	
Total Operating Expenses	1,909.9	(694.5)		1,215.4		1,233.0	(1%)		1,229.2		(1%)	

Adjusted Operating Expenses – Quarters Ended March 31, 2025 and June 30, 2025



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

Financial Results

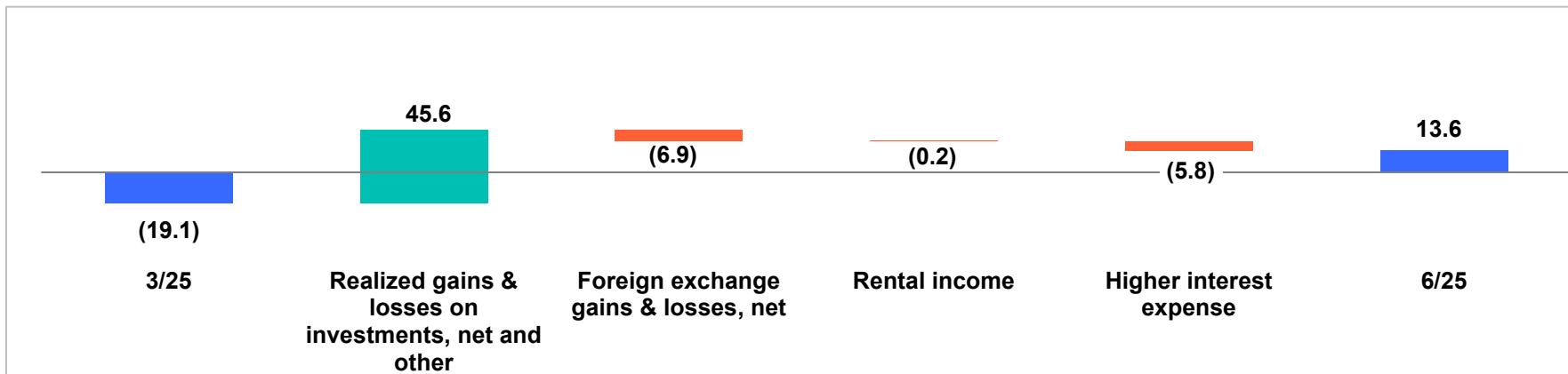
(GAAP and non-GAAP in US\$ millions except per share data, for the three months ended)



Other Income (Expense), Net¹

	Jun-25		Jun-25	Mar-25 ²	Jun-25		Jun-25	
	US GAAP	Adjustments			Adjusted	Adjusted	Adjusted	Adjusted vs. Jun-24
Investment and other income, net	23.4	21.0	44.4	5.9	653%	80.2	(45%)	
Interest expense	(25.8)	(5.0)	(30.8)	(25.0)	23%	(31.3)	(2%)	
Investment and other income (losses) of CIPs	35.9	(35.9)	-	-	NM	-	NM	
Expenses of CIPs	(11.0)	11.0	-	-	NM	-	NM	
Other Income (Expense), Net	22.5	(8.9)	13.6	(19.1)	NM	48.9	(72%)	

Adjusted Other Income – Quarters Ended March 31, 2025 and June 30, 2025



1) For the reconciliations from US GAAP to non-GAAP measures see pages 21 through 23 of this investor presentation and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical investor presentations 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 June 30, 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	1,640.8	12.0	(128.8)	(2.1) ¹	-	-	-	-	1,521.9
Sales and distribution fees	351.9	-	(351.9)	-	-	-	-	-	-
Shareholder servicing fees	59.9	-	-	-	-	-	-	-	59.9
Other	11.4	-	-	-	-	-	-	-	11.4
Total Operating Revenues	2,064.0	12.0	(480.7)	(2.1)	-	-	-	-	1,593.2
Expenses									
Compensation and benefits	901.1	-	-	(50.0) ¹	(27.0)	-	(14.2)	-	809.9
Sales, distribution and marketing	480.7	-	(480.7)	-	-	-	-	-	-
Information systems and technology	162.7	-	-	(9.4)	-	-	-	-	153.3
Occupancy	69.5	-	-	-	-	-	-	-	69.5
Amortization of intangible assets	112.2	-	-	(112.2)	-	-	-	-	-
General, administrative and other	183.7	-	-	(1.1)	0.1	-	-	-	182.7
Total Operating Expenses	1,909.9	-	(480.7)	(172.7)	(26.9)	-	(14.2)	-	1,215.4
Operating Income	154.1	12.0	-	170.6	26.9	-	14.2	-	377.8
Other Income (Expense)									
Investment and other income (losses) net	23.4	5.0	-	2.5	-	16.2	(2.7)	-	44.4
Interest expense	(25.8)	-	-	(5.0)	-	-	-	-	(30.8)
Investment and other income (losses) of CIPs, net	35.9	(35.9)	-	-	-	-	-	-	-
Expenses of CIPs	(11.0)	11.0	-	-	-	-	-	-	-
Total Other Income (Expense)	22.5	(19.9)	-	(2.5)	-	16.2	(2.7)	-	13.6
Income before taxes	176.6	(7.9)	-	168.1	26.9	16.2	11.5	-	391.4
Taxes on income	59.9	-	-	-	-	-	-	43.8	103.7
Net income	116.7	(7.9)	-	168.1	26.9	16.2	11.5	(43.8)	287.7
Less: Net income (loss) attributable to noncontrolling interests	24.4	(11.8)	-	-	-	5.0	6.7	-	24.3
Net Income Attributable to Franklin Resources, Inc.	92.3	3.9	-	168.1	26.9	11.2	4.8	(43.8)	263.4
Less: allocation of earnings to participating nonvested stock and stock unit awards	13.3								11.3
Net Income Available to Franklin Resources, Inc. Common Stockholders	79.0								252.1
Diluted EPS	\$ 0.15								\$ 0.49
Avg. Diluted Shares Outstanding	516.5								516.5
Operating Margin	7.5%								23.7%

¹) Includes \$2.1 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, 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								\$ 0.47
Avg. Diluted Shares Outstanding	519.9								519.9
Operating Margin	6.9%								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 June 30, 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	1,689.9	12.3	(122.8)	-	-	-	-	-	1,579.4
Sales and distribution fees	358.3	-	(358.3)	-	-	-	-	-	-
Shareholder servicing fees	61.8	-	-	-	-	-	-	-	61.8
Other	12.9	-	-	-	-	-	-	-	12.9
Total Operating Revenues	2,122.9	12.3	(481.1)	-	-	-	-	-	1,654.1
Expenses									
Compensation and benefits	893.8	-	-	(43.7)	(16.7)	-	(12.1)	-	821.3
Sales, distribution and marketing	481.1	-	(481.1)	-	-	-	-	-	-
Information systems and technology	156.6	-	-	(7.7)	-	-	-	-	148.9
Occupancy	104.8	-	-	(28.2)	-	-	-	-	76.6
Amortization of intangible assets	84.0	-	-	(84.0)	-	-	-	-	-
General, administrative and other	180.1	-	-	2.3	-	-	-	-	182.4
Total Operating Expenses	1,900.4	-	(481.1)	(161.3)	(16.7)	-	(12.1)	-	1,229.2
Operating Income	222.5	12.3	-	161.3	16.7	-	12.1	-	424.9
Other Income (Expense)									
Investment and other income (losses) net	74.5	(13.2)	-	0.5	-	21.3	(2.9)	-	80.2
Interest expense	(25.7)	-	-	(5.6)	-	-	-	-	(31.3)
Investment and other income (losses) of CIPs, net	37.6	(37.6)	-	-	-	-	-	-	-
Expenses of CIPs	(8.8)	8.8	-	-	-	-	-	-	-
Total Other Income (Expense)	77.6	(42.0)	-	(5.1)	-	21.3	(2.9)	-	48.9
Income before taxes	300.1	(29.7)	-	156.2	16.7	21.3	9.2	-	473.8
Taxes on income	68.1							50.8	118.9
Net income	232.0	(29.7)	-	156.2	16.7	21.3	9.2	(50.8)	354.9
Less: Net income (loss) attributable to noncontrolling interests	58.0	(27.3)	-	-	-	(9.7)	7.5	-	28.5
Net Income Attributable to Franklin Resources, Inc.	174.0	(2.4)	-	156.2	16.7	31.0	1.7	(50.8)	326.4
Less: allocation of earnings to participating nonvested stock and stock unit awards	7.5								15.2
Net Income Available to Franklin Resources, Inc. Common Stockholders	166.5								311.2
Diluted EPS	\$0.32								\$0.60
Avg. Diluted Shares Outstanding	517.2								517.2
Operating Margin	10.5%								25.7%