

Third-Quarter 2024 Earnings Presentation

November 8, 2024

Forward Looking Statements

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “assume,” “budget,” “continue,” “estimate,” “future,” “objective,” “outlook,” “plan,” “potential,” “predict,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of Victory Capital (the “Company”) such as continued geopolitical uncertainty including the conflicts in Ukraine and Israel and its effect on our business, operations and financial results going forward, as discussed in Victory Capital’s filings with the SEC, that could cause Victory Capital’s actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements.

Although it is not possible to identify all such risks and factors, they include, among others, risks that the conditions to closing will be satisfied for the Amundi transaction and the transaction will close on the anticipated timeline, if at all; risks associated with expected benefits, or impact on our business, of the proposed transaction, including our ability to achieve any expected synergies; reductions in AUM based on investment performance, client withdrawals, difficult market conditions and other factors such as a pandemic; the nature of the Company’s contracts and investment advisory agreements; the Company’s ability to maintain historical returns and sustain its historical growth; the Company’s dependence on third parties to market its strategies and provide products or services for the operation of its business; the Company’s ability to retain key investment professionals or members of its senior management team; the Company’s reliance on the technology systems supporting its operations; the Company’s ability to successfully acquire and integrate new companies; the concentration of the Company’s investments in long-only small- and mid-cap equity and U.S. clients; risks and uncertainties associated with non-U.S. investments; the Company’s efforts to establish and develop new teams and strategies; the ability of the Company’s investment teams to identify appropriate investment opportunities; the Company’s ability to limit employee misconduct; the Company’s ability to meet the guidelines set by its clients; the Company’s exposure to potential litigation (including administrative or tax proceedings) or regulatory actions; the Company’s ability to implement effective information and cyber security policies, procedures and capabilities; the Company’s substantial indebtedness; the potential impairment of the Company’s goodwill and intangible assets; disruption to the operations of third parties whose functions are integral to the Company’s ETF platform; the Company’s determination that Victory Capital is not required to register as an "investment company" under the Investment Company Act of 1940; the fluctuation of the Company’s expenses; the Company’s ability to respond to recent trends in the investment management industry; the level of regulation on investment management firms and the Company’s ability to respond to regulatory developments; the competitiveness of the investment management industry; the level of control over the Company retained by Crestview GP; and other risks and factors listed under "Risk Factors" and elsewhere in the Company’s filings with the SEC.

Such forward-looking statements are based on numerous assumptions regarding Victory Capital’s present and future business strategies and the environment in which it will operate in the future. Any forward-looking statement made in this presentation speaks only as of the date hereof. Except as required by law, Victory Capital assumes no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Agenda

- Quarterly Business Overview
- Investment Performance
- Third-Quarter 2024 Financial Results
- Appendix

Quarterly Business Overview

Business Overview

Q3 2024 Operating & Financial Highlights

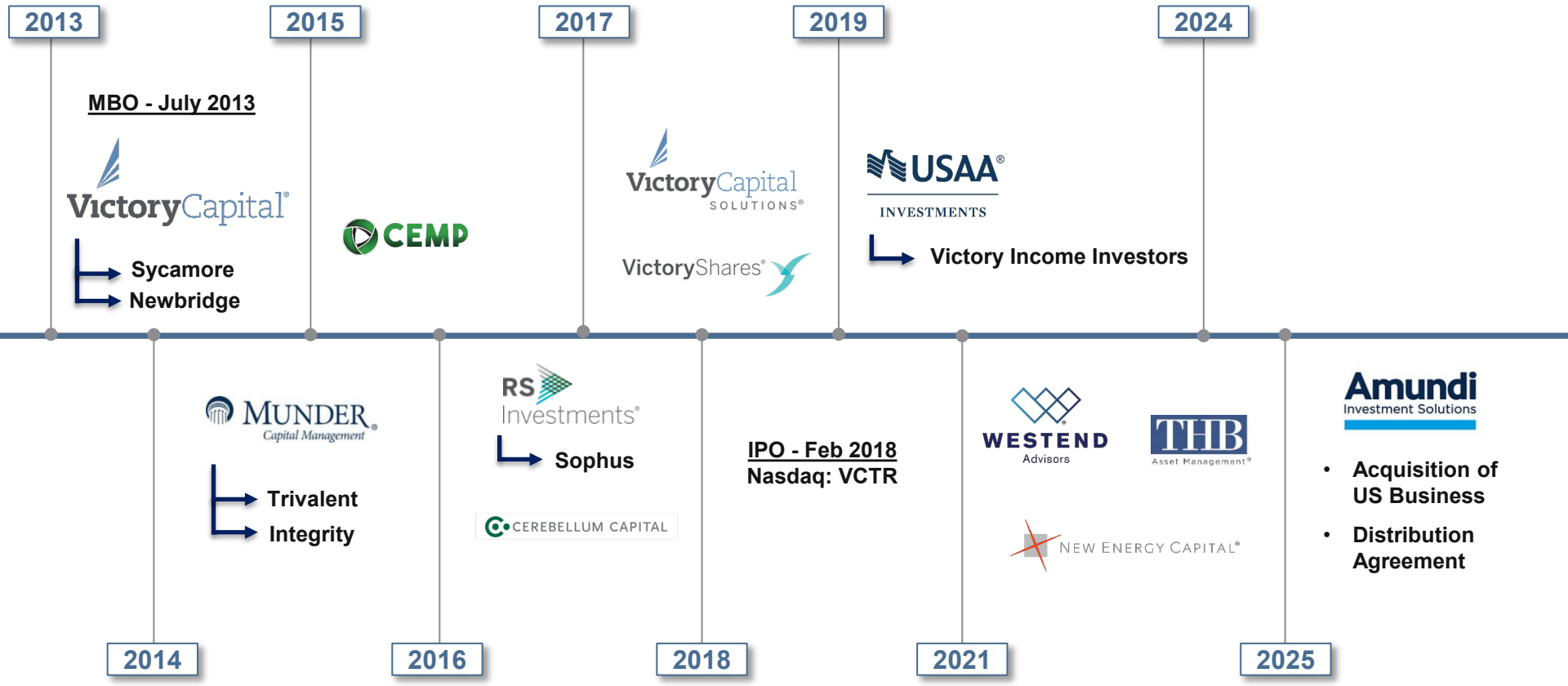
- Total client assets of $181.1bn
- Adjusted earnings per diluted share with tax benefit of $1.35
- Long-term gross flows of $5.9bn, net flows of -$2.6bn
- Adjusted EBITDA of $121.3 million
- Adjusted EBITDA margin of 53.7%

Strategic Partnership with Amundi

- Signed Definitive Agreement with Amundi to become long-term strategic partners
- Reaffirmed $100 million of expense synergies
- Integration work is progressing as planned
- Amundi US business performing well YTD
  - Strong investment performance
  - Positive net flows from publicly available data
  - Firmwide AUM levels higher
- VCTR Shareholders approved all ballot proposals at Special Meeting of Stockholders on October 11
- Transaction is expected to close in Q1 2025

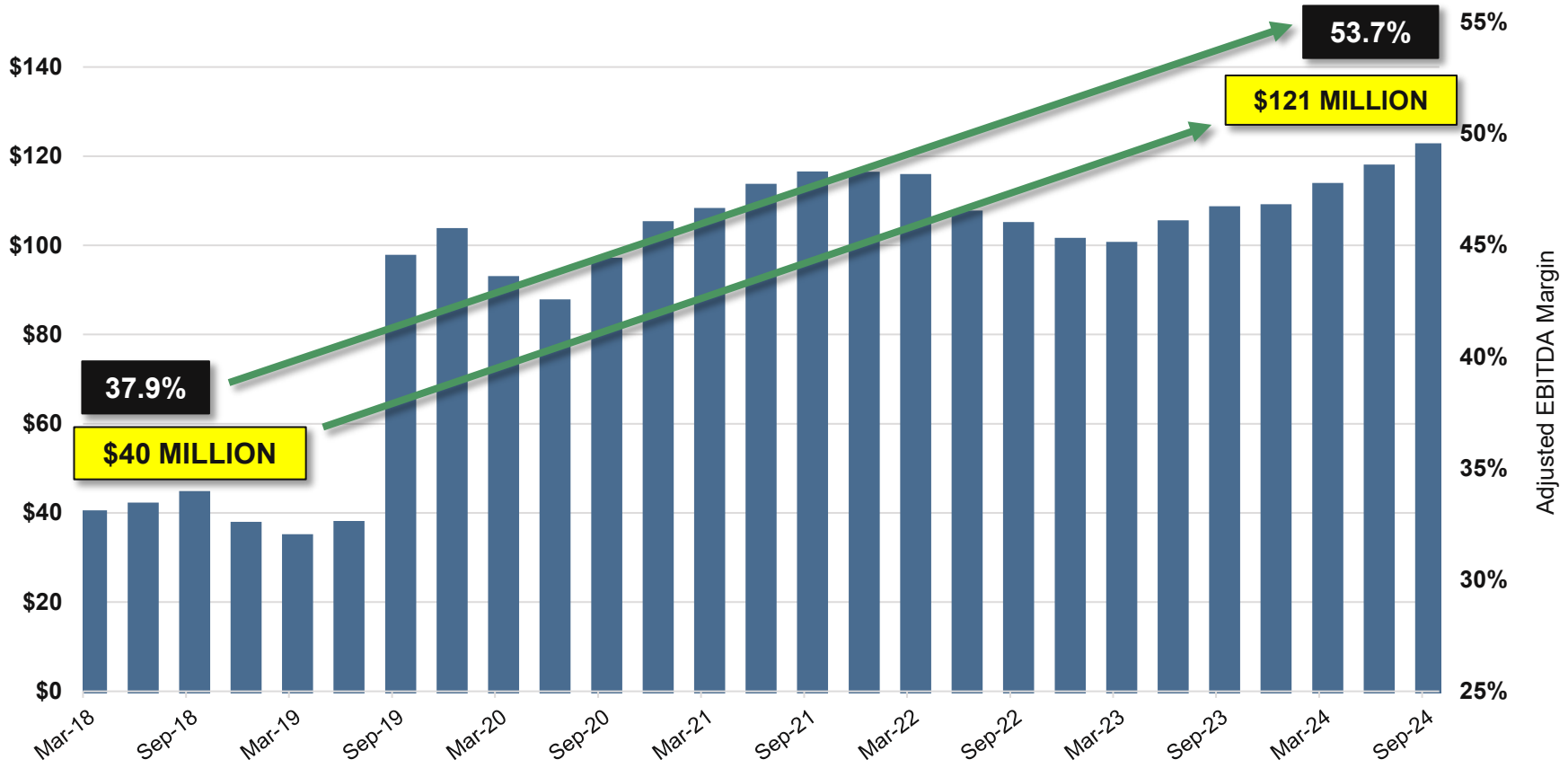
Evolution of Victory Capital

Proven track record of successful acquisitions in an evolving and consolidating Asset Management Industry



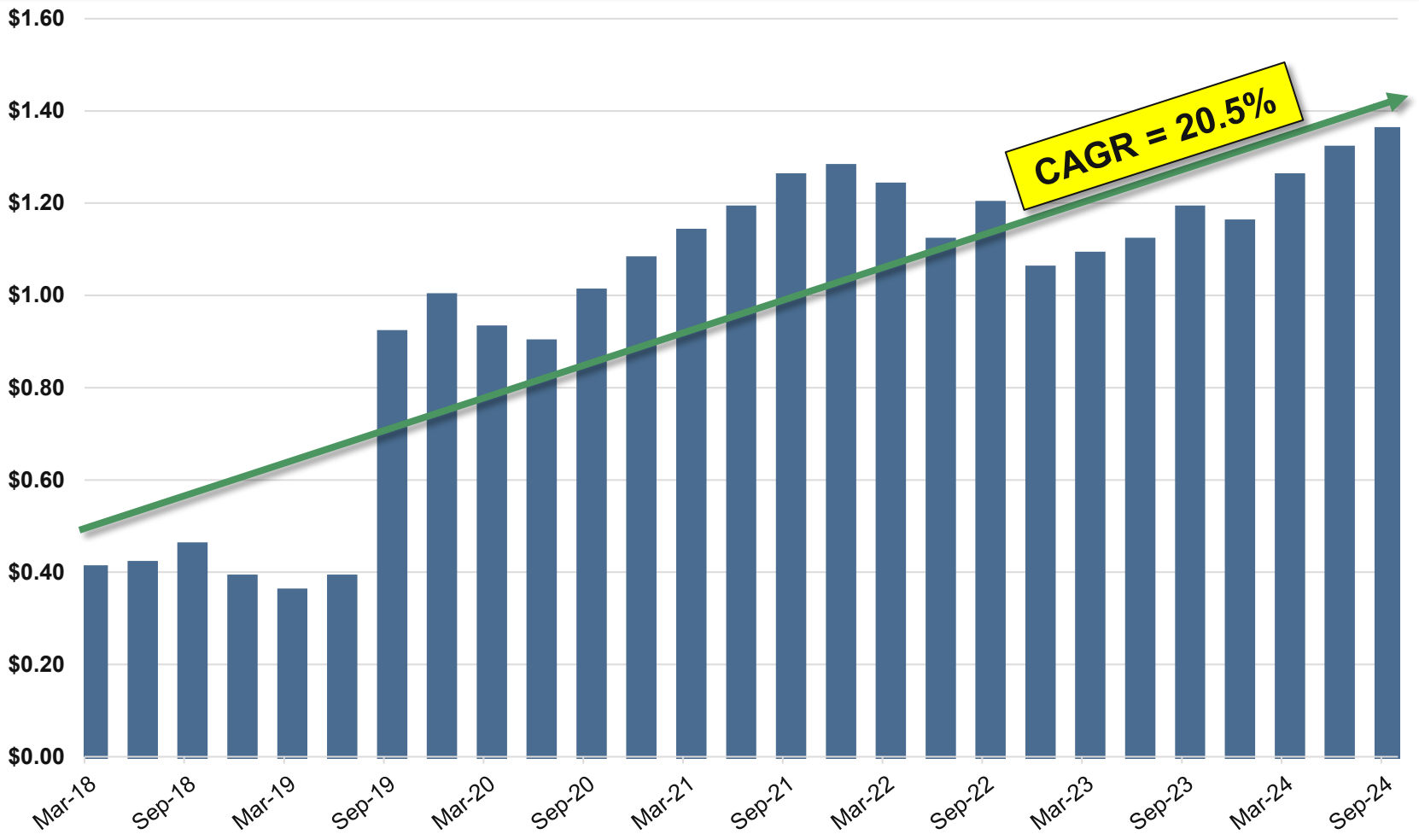
Growth of Adjusted EBITDA & Margin Expansion

- Quarterly Adjusted EBITDA up 206%
- Adjusted EBITDA Margin Expanded 1,580 bps



Growth of Adjusted EPS with Tax Benefit

- **Strong history of EPS growth**
- **Quarterly Adjusted EPS with Tax Benefit up 203%**



Long-Term Growth & Capital Allocation Strategy

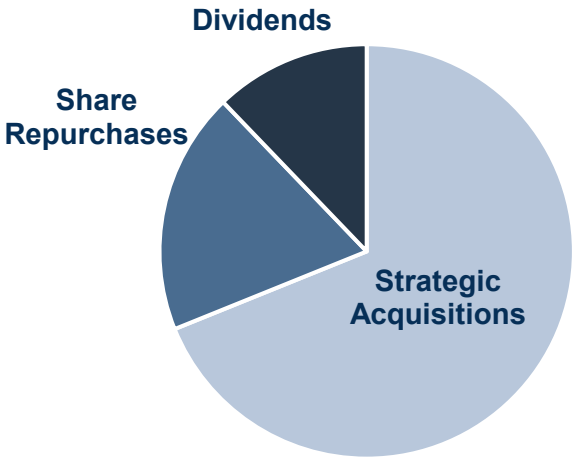
Enhancing Shareholder Value by:

- Improving platform with every strategic acquisition
- Evolving product set to drive organic growth
- Gaining efficiency from integrated platform
- Executing on inorganic growth strategy
- Being acquirer of choice for many asset managers
- Commitment to enhancing balance sheet flexibility

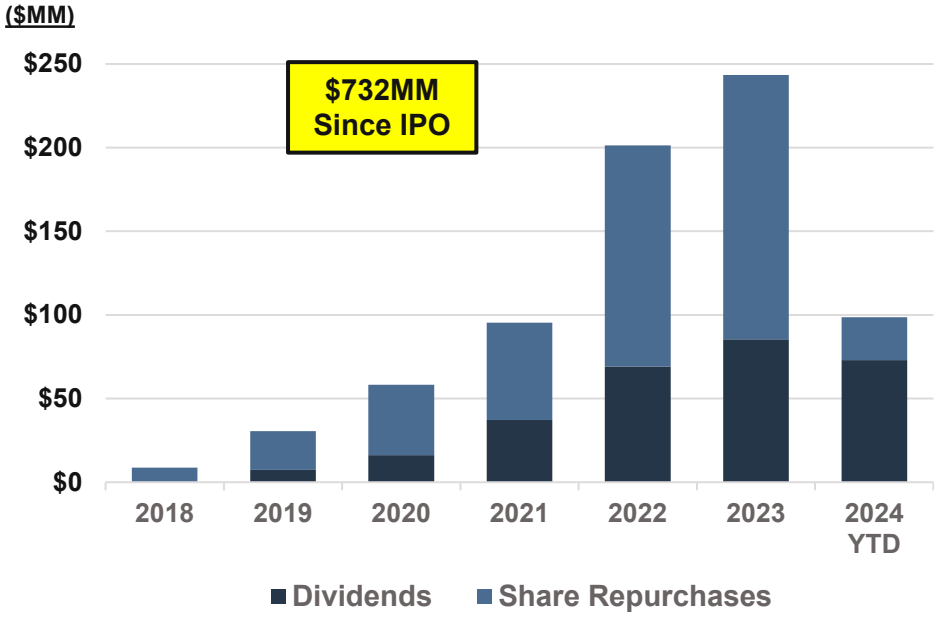
Enhancing Balance Sheet Flexibility with:

- Capital allocation policy that supports growth strategy
- Strong free cash flow generation
- Increasing capacity to do additional deals
- Opportunistic share repurchases
- Ancillary cash dividend
- Minimal cap ex, result of operating platform

Capital Allocation Since IPO



Capital Returned to Shareholders



Investment Performance

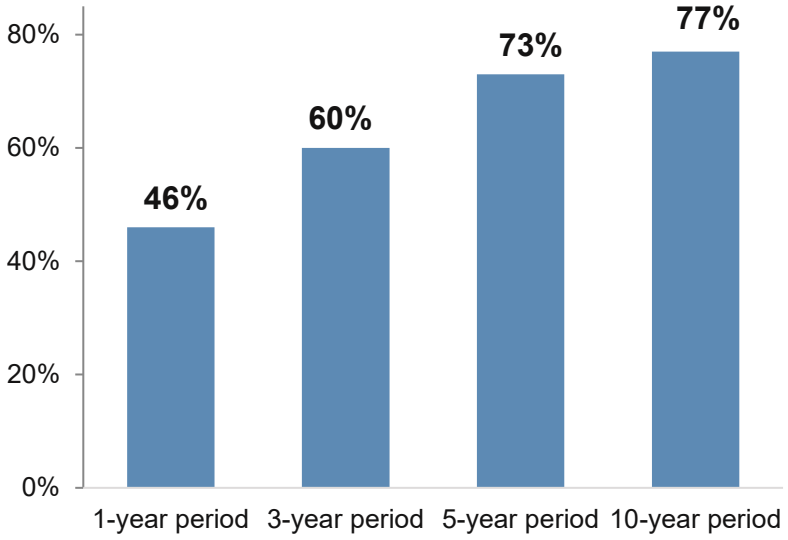
Commitment to Long-Term Investment Performance

MORNINGSTAR™

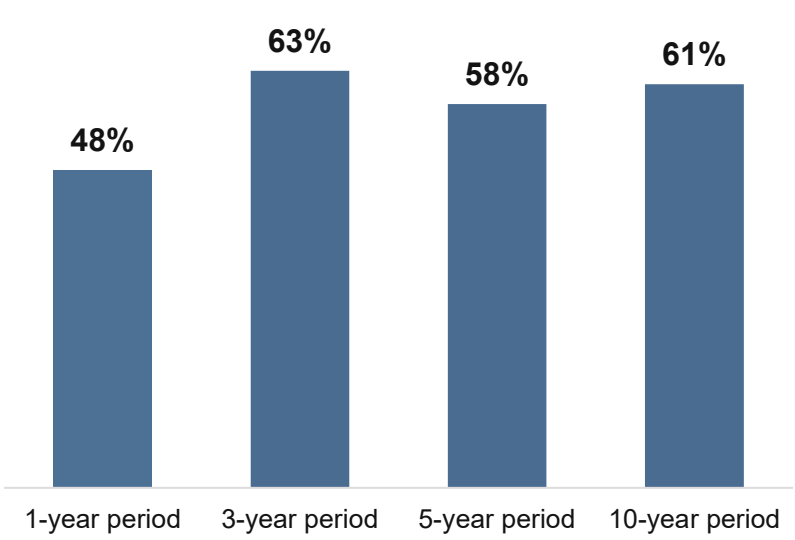
43 *Total Mutual Funds and ETFs with 4- or 5-Star overall ratings*

67% *Total Mutual Funds and ETFs AUM with 4- or 5-Star overall ratings*

AUM outperforming benchmarks



Strategies outperforming benchmarks



Charts and Morningstar data as of September 30, 2024.

Third-Quarter 2024 Financial Results

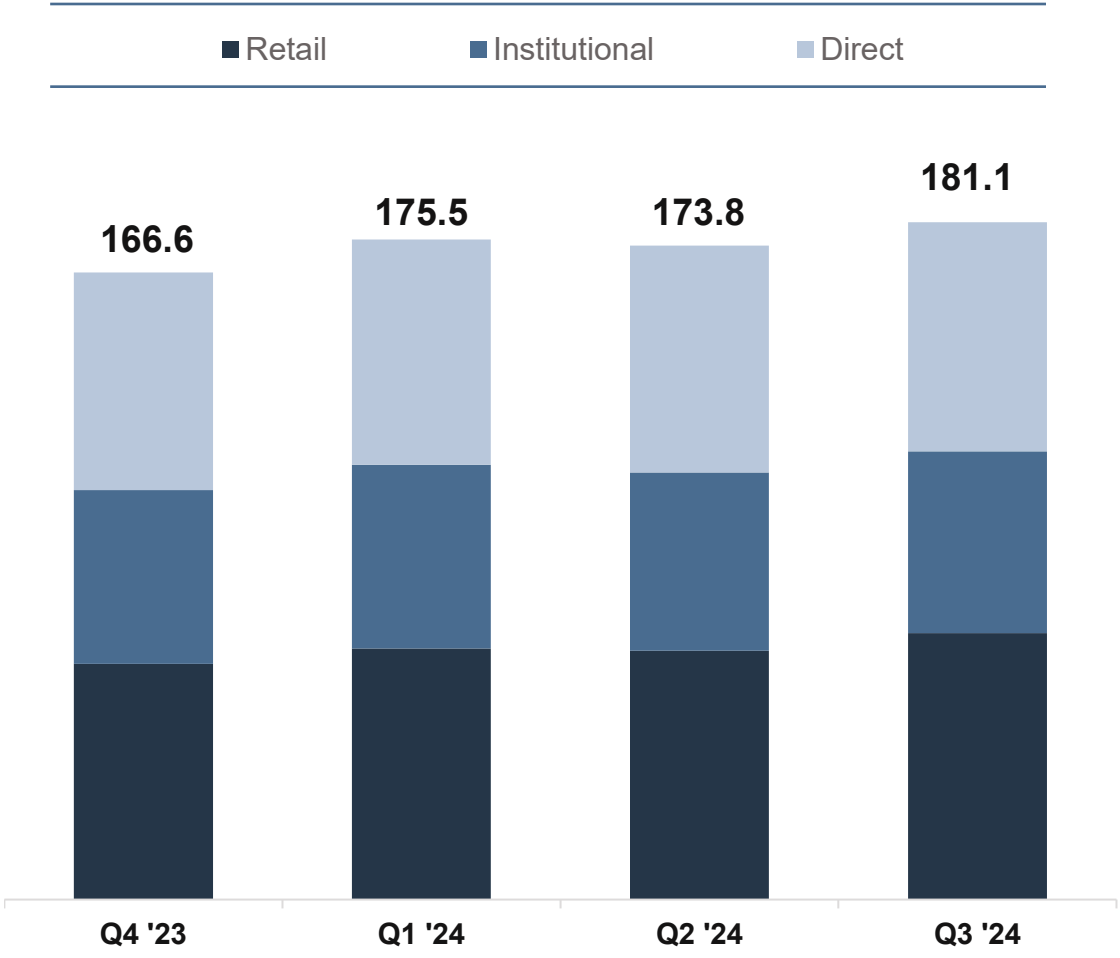
Third-Quarter 2024 Financial Results

Third-Quarter Financial Results	▪ Revenue of $225.6MM ▪ GAAP Operating Income of $120.4MM ▪ GAAP Operating margin of 53.3% ▪ GAAP Net Income of $1.24 per diluted share ▪ Adjusted EBITDA of $121.3 million ▪ Adjusted EBITDA margin of 53.7% ▪ Adjusted Net Income with tax benefit of $89.0MM ▪ ANI plus tax benefit of $1.35 per diluted share
Capital Management	▪ Ended the quarter with $188MM of cash ▪ Net leverage ratio of 1.7x ▪ Q4 interest rate reset 73 bps lower than Q3 ▪ Returned $32.1MM to shareholders in quarter ▪ Increased quarterly cash dividend by 7% to $0.44 per share

Total Client Assets

- Well-diversified distribution channels and client base
  - Retail
  - Institutional
  - Direct
- Significant diversification within each channel

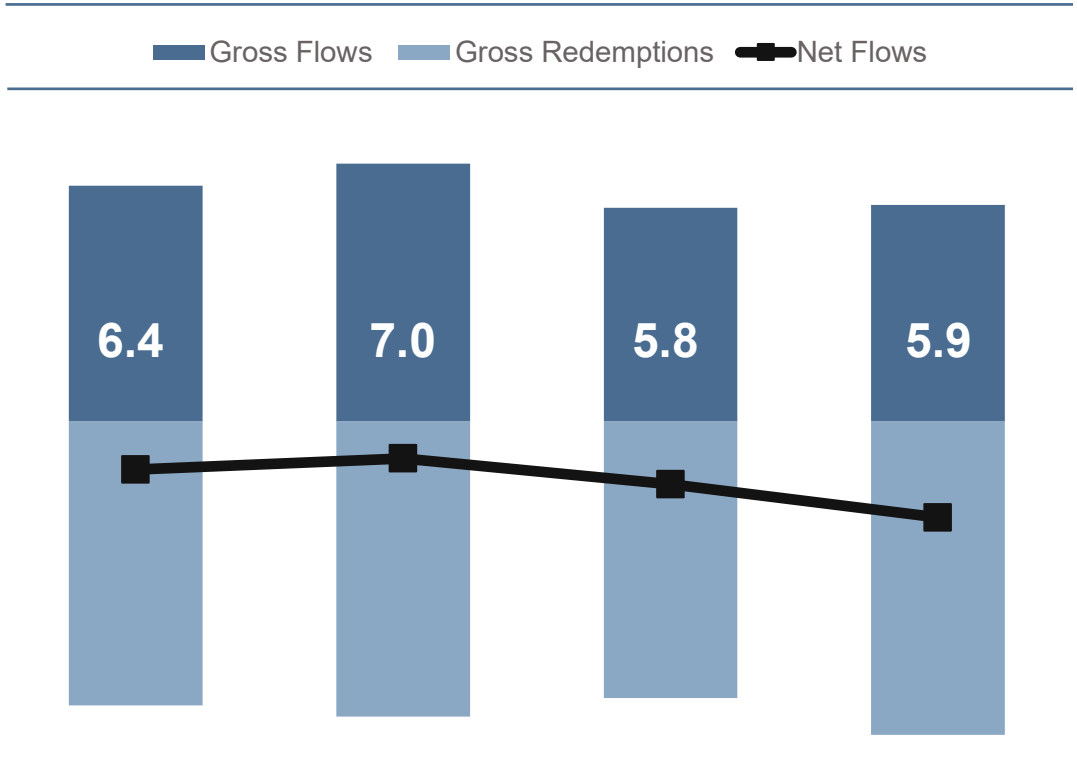
Total Client Assets at Period End ($Bn)



Long-Term AUM Flows

- Multiple Investment Franchises generated positive long-term net flows for the quarter:
  - Victory Income Investors
  - RS Global
  - Sophus
  - VictoryShares
- And, for the YTD period:
  - Victory Income Investors
  - Integrity
  - NEC
  - RS Global
  - Sophus
  - NEC
  - VictoryShares
- Strong won-not-yet-funded business

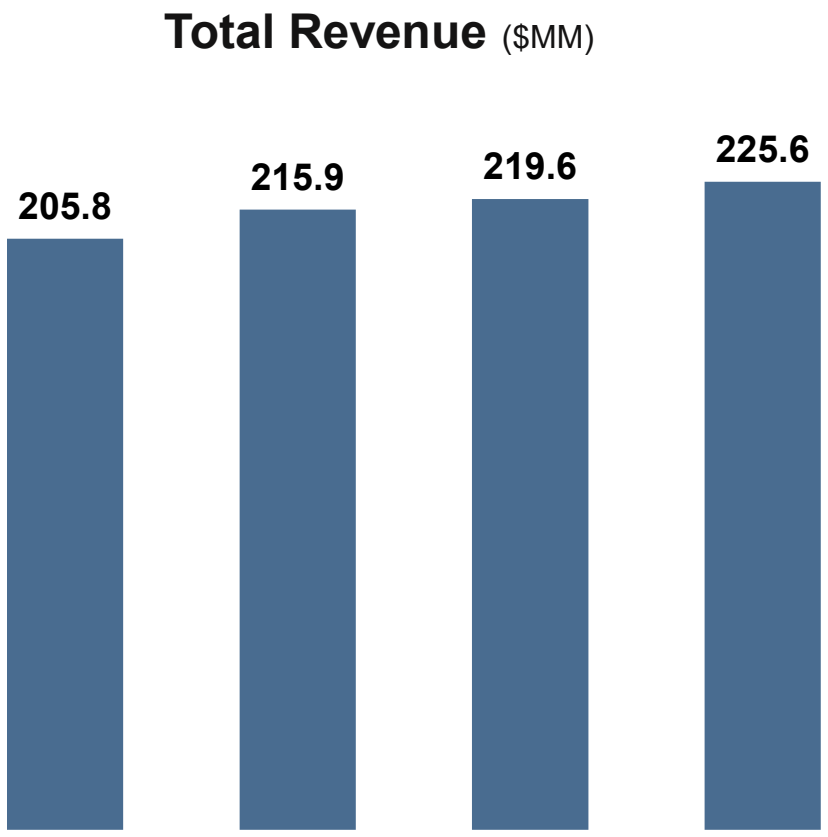
Long-Term AUM Asset Flows ($Bn)



Operating Metrics	Q4 '23	Q1 '24	Q2 '24	Q3 '24
Net long-term AUM flows ($MM)	-$1,334	-$1,028	-$1,701	**-$2,631**

Revenue

- Revenue increased 3% from previous quarter
- 8% increase from Q3 2023
- Slight average fee rate decline due to product, vehicle, and asset mix



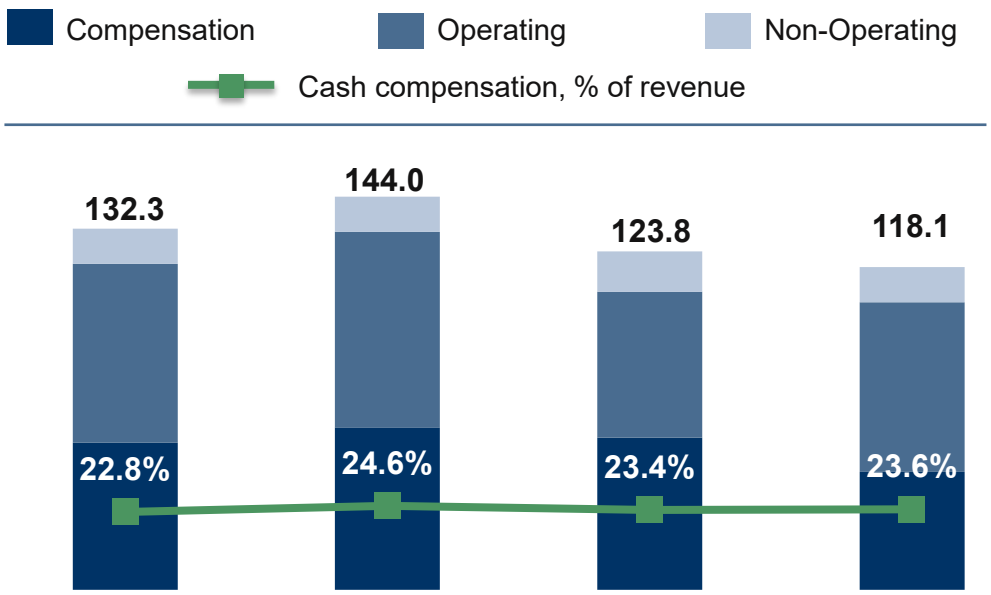
Operating Metrics	Q4 '23	Q1 '24	Q2 '24	Q3 '24
Average Total AUM ($Bn)	151.9	163.5	167.5	**171.9**
Average Fee Rate (bps)	53.6	53.0	52.6	**52.1**

Average Total AUM excludes assets categorized as Other Assets with a range of fees from 2 to 4 basis points.

Expenses

- Q3 ‘24 total operating expenses decreased 3% vs Q2 ’24
- Lower GAAP non-cash compensation expense on reversal of accrual for contingent earnout payments
- Cash compensation rate consistent and within expected range

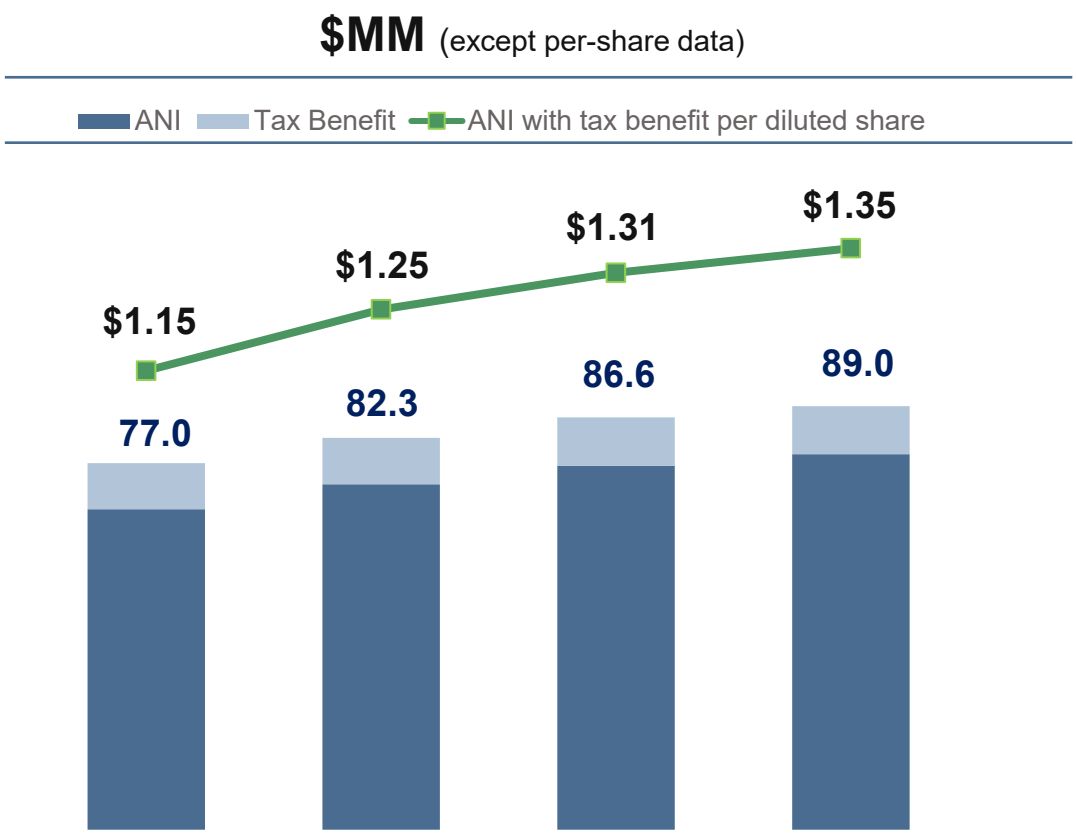
Total Expenses ($MM)



($MM)	Q4 ‘23	Q1 ‘24	Q2 ‘24	Q3 ‘24
Cash compensation and payroll taxes	46.9	53.1	51.3	**53.3**
Acquisition / Transaction related compensation	1.2	1.0	0.5	**(15.2)**
Equity compensation (non-cash)	4.2	4.0	3.8	**3.7**
Deferred compensation MTM (non-cash)	1.8	1.4	0.1	**1.4**
Total Compensation Expenses	53.9	59.5	55.7	**43.2**
Acquisition, restructuring, and integration expenses (income)	0.4	1.5	3.2	**5.3**
All other non-personnel operating expenses	65.1	70.1	50.2	**56.8**
Total Operating Expenses	119.5	131.0	109.0	**105.3**
Unrealized gain/(loss) on deferred comp plan - offset	*1.8*	*1.4*	*0.1*	***1.4***
Total Non-Operating Exp. (inclusive of def comp)	12.8	12.9	14.8	**12.9**
Total Expenses	132.3	144.0	123.8	**118.1**

Non-GAAP Metrics

- Record quarterly diluted earnings per share of $1.35
- Record Adjusted EBITDA and Adjusted EBITDA Margin
- Highest level of quarterly Adjusted Net Income in the past 10 quarters
- 13th quarter with margins equal to or above 50%



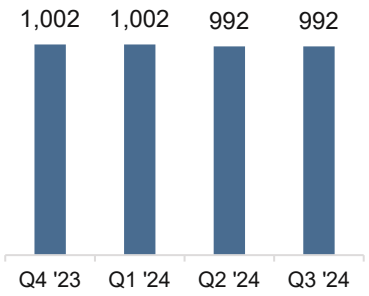
Operating Metrics	Q4 '23	Q1 '24	Q2 '24	Q3 '24	TTM
Adjusted EBITDA ($MM)	107.6	112.4	116.5	**121.3**	**457.8**
Adjusted EBITDA margin (%)	52.3	52.1	53.0	**53.7**	**52.8**

Adjusted measures are non-GAAP financial measures. Reconciliations and explanations of these non-GAAP financial measures are provided at the end of this presentation.

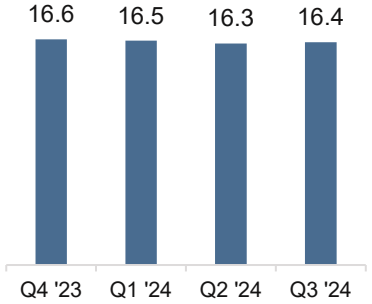
Capital Management

Selected Balance Sheet Items	09/30/2024
Cash / Cash Equivalents ($MM)	188
Debt ($MM)	992
Stockholders' Equity ($MM)	1,175
Diluted Shares Outstanding (MM)	66.1
Net Debt / Adjusted EBITDA	1.7x

Debt ($MM)



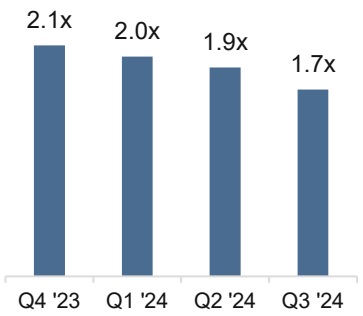
Interest Expense and Other Financing Costs ($MM)



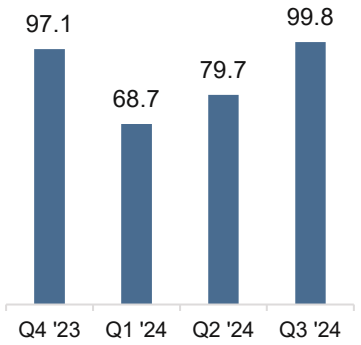
Highlights

- $188MM of cash on balance sheet
- Cash dividend increased by 7%
- $100MM revolver remains undrawn

Leverage Ratio

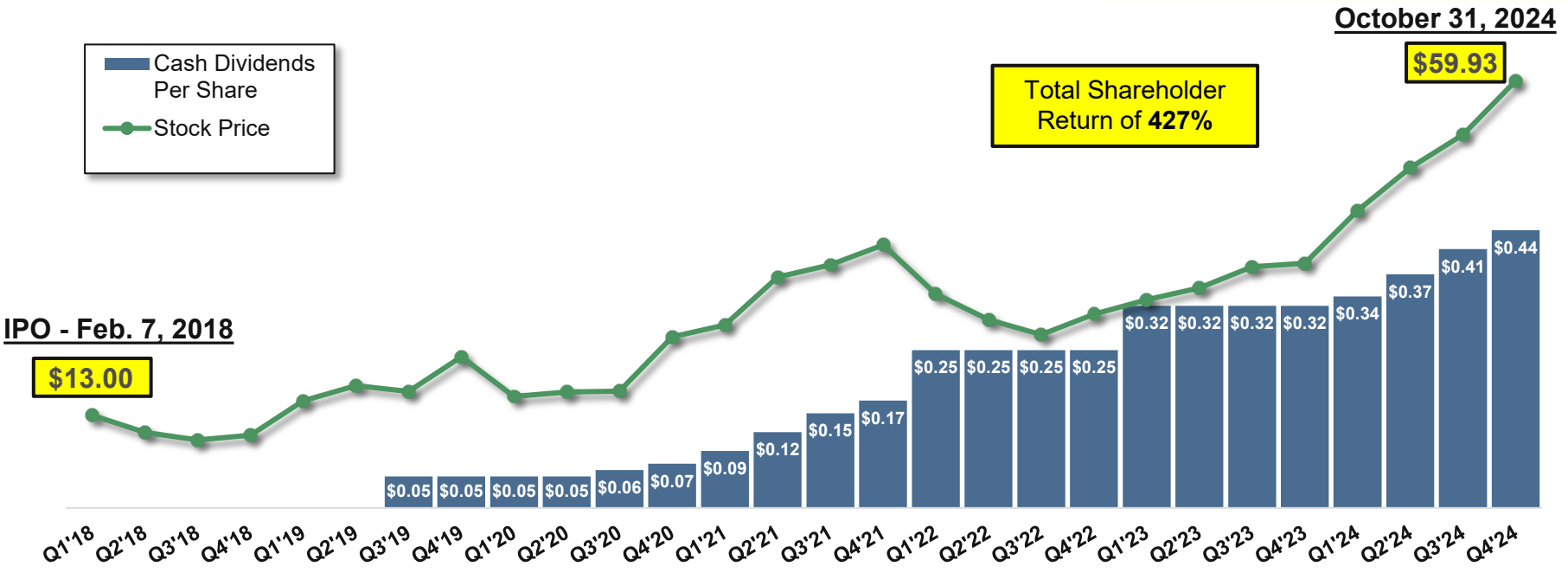


GAAP Operating Cash Flow ($MM)

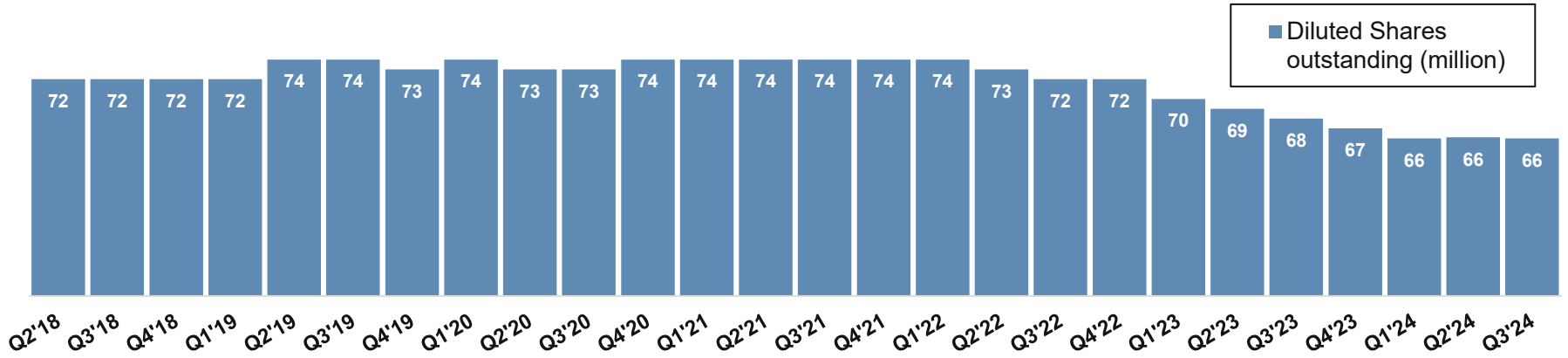


Appendix

Shareholder Value Creation since IPO



Impact of Share Repurchases on Shares Outstanding

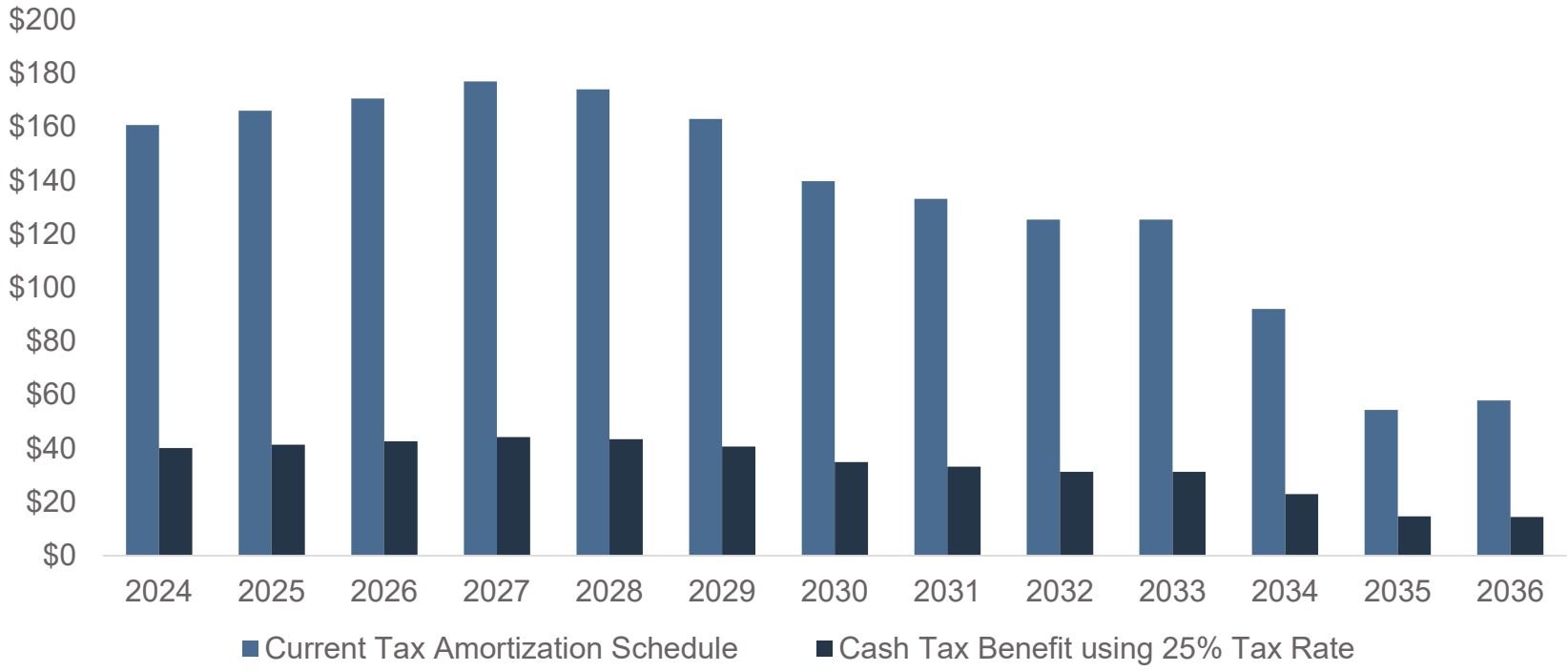


Ongoing and Future Cash-Tax Benefits

Section 338(h)(10) Election

- Stepped up cost basis of acquired indefinite lived intangible assets is deductible for corporate income tax purposes over 15 years
  - $1.7Bn in total future tax amortization
  - **$436MM** in future cash tax savings, assuming 25% tax rate
  - **NPV $284MM, discounted at 8%, or >$4.40 per share**

Future Tax Amortization and Cash Tax Savings ($MM)



Notes and Disclosures

Information Regarding Non-GAAP Financial Measures

Victory Capital uses non-GAAP financial measures referred to as Adjusted EBITDA and Adjusted Net Income to measure the operating profitability of the Company. These measures eliminate the impact of one-time acquisition, restructuring and integration costs and demonstrate the ongoing operating earnings metrics of the Company. The Company has included these non-GAAP measures to provide investors with the same financial metrics used by management to assess the operating performance of the Company. Due to rounding, numbers presented in the following tables may not add up to precisely the totals provided.

Adjusted EBITDA

Adjustments made to GAAP Net Income to calculate Adjusted EBITDA, as applicable, are:

- Adding back income tax expense;
- Adding back interest paid on debt and other financing costs net of interest income;
- Adding back depreciation on property and equipment;
- Adding back other business taxes;
- Adding back amortization expense on acquisition-related intangible assets;
- Adding back stock-based compensation expense associated with equity awards issued from pools created in connection with the management-led buyout and various acquisitions and as a result of equity grants related to the IPO;
- Adding back direct incremental costs of acquisitions, including restructuring costs;
- Adding back debt issuance costs; and
- Adjusting for earnings/losses on equity method investments.

Information Regarding Non-GAAP Financial Measures (cont.)

Adjusted Net Income

Adjustments made to GAAP Net Income to calculate Adjusted Net Income, as applicable, are:

- Adding back other business taxes;
- Adding back amortization expense on acquisition-related intangible assets;
- Adding back stock-based compensation expense associated with equity awards issued from pools created in connection with the management-led buyout and various acquisitions and as a result of any equity grants related to the IPO;
- Adding back direct incremental costs of acquisitions, including restructuring costs;
- Adding back debt issuance costs; and
- Subtracting an estimate of income tax expense applied to the sum of the adjustments above.

Tax Benefit of Goodwill and Acquired Intangible Assets

Due to Victory Capital's acquisitive nature, tax deductions allowed on acquired intangible assets and goodwill provide it with additional significant supplemental economic benefit. The tax benefit of goodwill and intangible assets represent the tax benefits associated with deductions allowed for intangible assets and goodwill generated from prior acquisitions in which the Company received a step-up in basis for tax purposes. Acquired intangible assets and goodwill may be amortized for tax purposes, generally over a 15-year period. The tax benefit from amortization on these assets is included to show the full economic benefit of deductions for all acquired intangible assets with a step-up in tax basis.

Consolidated Reconciliations of Adjusted EBITDA

	For the three months ended,				
	(in thousands except percentages)				
	09/30/2023	**12/31/2023**	**03/31/2024**	**06/30/2024**	**09/30/2024**
GAAP Net income	**$ 52,007**	**$ 55,206**	**$ 55,691**	**$ 74,251**	**$ 81,983**
GAAP Income tax expense	(13,915)	(18,316)	(16,197)	21,524	**(25,517)**
GAAP income before taxes	**65,922**	**73,522**	**71,888**	**95,775**	**107,500**
Interest expense	14,659	15,532	15,711	15,468	**15,649**
Depreciation	2,302	2,273	2,269	2,252	**2,210**
Other business taxes	636	305	369	414	**366**
GAAP amortization of acquisition-related intangibles	10,032	5,711	5,332	5,299	**5,300**
Stock-based compensation	1,451	1,503	1,327	940	**972**
Acquisition, restructuring and exit costs	11,463	5,586	14,705	(4,520)	**(11,513)**
Debt issuance costs	762	3,128	755	874	**775**
Adjusted EBITDA	**$ 107,227**	**$ 107,560**	**$ 112,356**	**$ 116,502**	**$ 121,259**
Revenue	$ 209,688	$ 205,794	$ 215,857	$ 219,621	**$ 225,628**
Adjusted EBITDA Margin	**51.1%**	**52.3%**	**52.1%**	**53.0%**	**53.7%**

Historical Reconciliations of Adjusted EBITDA

	For the three months ended, (in thousands except percentages)										
	3/31/2018	6/30/2018	9/30/2018	12/18/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020
GAAP Net income	**$ 10,524**	**$ 18,675**	**$ 20,590**	**$ 13,915**	**$ 14,527**	**$ 14,383**	**$ 25,992**	**$ 37,589**	**$ 57,166**	**$ 44,720**	**$ 55,741**
GAAP Income tax expense	(3,557)	(6,311)	(6,562)	(4,777)	(4,807)	(4,478)	(8,058)	(10,854)	(16,823)	(14,487)	(17,027)
GAAP income before taxes	**14,081**	**24,986**	**27,152**	**18,692**	**19,334**	**18,861**	**34,050**	**48,443**	**73,989**	**59,207**	**72,768**
Interest expense	8,094	4,229	4,053	3,797	3,853	3,613	18,388	14,852	10,528	8,267	7,497
Depreciation	736	736	775	709	571	612	682	1,130	884	746	814
Other business taxes	375	443	350	337	555	424	146	359	-3,296	219	256
GAAP amortization of acquisition-related intangibles	5,676	5,195	4,799	4,651	4,651	4,651	7,086	4,490	3,166	3,420	3,122
Stock-based compensation	3,322	3,968	4,005	3,943	1,478	3,321	4,326	5,724	5,372	3,068	2,806
Acquisition, restructuring and exit costs	518	560	1,647	3,664	2,777	4,575	24,452	24,947	-1,542	10,105	6,996
Debt issuance costs	6,702	361	373	371	364	366	10,002	2,387	2,389	1,312	1,386
Pre-IPO governance expenses	141	(3)	-	-	-	-	-	-	-	-	-
Earnings/losses from equity method investments	137	202	167	224	4	150	(2,837)	-	-	-	-
Adjusted EBITDA	**$ 39,782**	**$ 40,677**	**$ 43,321**	**$ 36,388**	**$ 33,587**	**$ 36,573**	**$ 96,295**	**$ 102,332**	**$ 91,490**	**$ 86,344**	**$ 95,645**
Revenue	$ 104,964	$ 104,400	$ 108,082	$ 95,967	$ 87,479	$ 91,360	$ 214,980	$ 218,554	$ 204,421	$ 181,886	$ 188,656
Adjusted EBITDA Margin	37.9%	38.9%	40.1%	37.9%	38.40%	40.0%	44.8%	46.8%	**44.8%**	**47.5%**	**50.7%**

	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
GAAP Net income	**$ 54,895**	**$ 65,202**	**$ 69,270**	**$ 74,175**	**$ 69,742**	**$ 71,273**	**$ 79,205**	**$ 72,764**	**$ 52,269**	**$ 49,273**	**$ 56,671**
GAAP Income tax expense	(17,681)	(17,662)	(20,629)	(18,181)	(15,781)	(19,271)	(25,790)	(12,582)	(16,879)	(12,597)	(17,924)
GAAP income before taxes	**72,576**	**82,864**	**89,899**	**92,356**	**85,523**	**90,544**	**104,995**	**85,346**	**69,148**	**61,870**	**74,595**
Interest expense	7,432	7,310	6,086	5,561	5,328	8,724	9,499	10,795	12,006	13,482	14,146
Depreciation	1,107	1,246	1,524	1,693	1,746	1,954	2,102	2,030	1,959	1,971	2,296
Other business taxes	265	374	524	376	383	590	541	539	448	384	382
GAAP amortization of acquisition-related intangibles	3,122	3,138	3,171	2,684	3,638	8,656	8,656	8,657	9,191	9,709	7,353
Stock-based compensation	3,774	4,636	3,124	2,851	2,499	2,633	2,860	2,230	2,420	2,004	1,538
Acquisition, restructuring and exit costs	13,904	4,389	6,544	8,425	15,188	-844	-24,033	-7,842	3,997	8,984	2,949
Debt issuance costs	1,459	2,793	1,304	960	532	2,061	1,560	1,064	935	748	756
Pre-IPO governance expenses	-	-	-	-	-	-	-	-	-	-	-
Earnings/losses from equity method investments	193	92	65	70	104	57	9	759	-	-	-
Adjusted EBITDA	**$ 103,832**	**$ 106,842**	**$ 112,241**	**$ 114,976**	**$ 114,941**	**$ 114,375**	**$ 106,189**	**$ 103,578**	**$ 100,104**	**$ 99,152**	**$ 104,015**
Revenue	$ 200,388	$ 212,949	$ 221,904	$ 226,290	$ 229,122	$ 230,019	$ 216,006	$ 207,260	$ 201,515	$ 201,320	$ 204,226
Adjusted EBITDA Margin	**51.8%**	**50.2%**	**50.6%**	**50.8%**	**50.2%**	**49.7%**	**49.2%**	**50.0%**	**49.7%**	**49.3%**	**50.9%**

Consolidated Reconciliations of Adjusted Net Income

	For the three months ended,				
	(in thousands, except per-share data)				
	09/30/2023	**12/31/2023**	**03/31/2024**	**06/30/2024**	**09/30/2024**
GAAP Net Income	**$ 52,007**	**$ 55,206**	**$ 55,691**	**$ 74,251**	**$ 81,983**
Other business taxes	636	305	369	414	**366**
GAAP amortization of acquisition-related intangibles	10,032	5,711	5,332	5,299	**5,300**
Stock-based compensation	1,451	1,503	1,327	940	**972**
Acquisition, restructuring and exit costs	11,463	5,586	14,705	(4,520)	**(11,513)**
Debt issuance costs	762	3,128	755	874	**775**
Tax effect of above adjustments	(6,085)	(4,061)	(5,621)	(753)	**1,025**
Adjusted Net Income	70,266	67,378	72,558	76,505	**78,908**
Tax benefit of goodwill and acquired intangibles	9,536	9,655	9,748	10,141	**10,141**
Adjusted Net Income with Tax Benefit	**$ 79,802**	**$ 77,033**	**$ 82,306**	$ 86,646	$ **89,049**
Weighted average shares outstanding – diluted	67,676	66,935	65,972	66,075	**66,057**
Adjusted Net income with Tax Benefit Per Diluted Share	**$ 1.18**	**$ 1.15**	**$ 1.25**	**$ 1.31**	**$ 1.35**

Historical Reconciliations of Adjusted Net Income

	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020
GAAP Net Income	**$ 10,524**	**$ 18,675**	**$ 20,590**	**$ 13,915**	**$ 14,527**	**$ 14,383**	**$ 25,992**	**$ 37,589**	**$ 57,166**	**$ 44,720**	**$ 55,741**
Other business taxes	375	443	350	337	555	424	146	359	-3296	219	256
GAAP amortization of acquisition-related intangibles	5,676	5,195	4,799	4,651	4,651	4,651	7,086	4,490	3,166	3,420	3,122
Stock-based compensation	3,322	3,968	4,005	3,943	1,478	3,321	4,326	5,724	5,372	3,068	2,806
Acquisition, restructuring and exit costs	518	560	1,647	3,664	2,777	4,575	24,452	24,947	-1,542	10,105	6,996
Debt issuance costs	6,702	361	373	371	364	366	10,002	2,387	2,389	1,312	1,386
Pre-IPO governance expenses	141	-3	-	-	-	-	-	-	-	-	-
Tax effect of above adjustments	4,183	-2,631	-2,794	-3,241	-2,456	-3,334	-11,503	-9,477	-1,522	-4,531	-3,642
Adjusted Net Income	23,075	26,568	28,970	23,640	21,896	24,386	60,501	66,019	61,733	58,313	66,665
Tax benefit of goodwill and acquired intangibles	3,320	3,320	3,318	3,320	3,361	3,361	6,802	6,801	6,728	6,745	6,745
Adjusted Net Income with Tax Benefit	**$ 26,395**	**$ 29,888**	**$ 32,288**	**$ 26,960**	**$ 25,257**	**$ 27,747**	**$ 67,303**	**$ 72,820**	**$ 68,461**	**$ 65,058**	**$ 73,410**
Weighted average shares outstanding – diluted	66,283	72,135	71,864	71,558	72,282	73,521	73,671	73,856	74,350	73,204	73,437
Adjusted Net income with Tax Benefit Per Diluted Share	**$ 0.40**	**$ 0.41**	**$ 0.45**	**$ 0.38**	**$ 0.35**	**$ 0.38**	**$ 0.91**	**$ 0.99**	**$ 0.92**	**$ 0.89**	**$ 1.00**

	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
GAAP Net Income	**$ 54,895**	**$ 65,202**	**$ 69,270**	**$ 74,175**	**$ 69,742**	**$ 71,273**	**$ 79,205**	**$ 72,764**	**$ 52,269**	**$ 49,273**	**$ 56,671**
Other business taxes	265	374	524	376	383	590	541	539	448	384	382
GAAP amortization of acquisition-related intangibles	3,122	3,138	3,171	2,684	3,638	8,656	8,656	8,657	9,191	9,709	7,353
Stock-based compensation	3,774	4,636	3,124	2,851	2,499	2,633	2,860	2,230	2,420	2,004	1,538
Acquisition, restructuring and exit costs	13,904	4,389	6,544	8,425	15,188	-844	-24,033	-7,842	3,997	8,984	2,949
Debt issuance costs	1,459	2,793	1,304	960	532	2,061	1,560	1,064	935	748	756
Pre-IPO governance expenses	-	-	-	-	-	-	-	-	-	-	-
Tax effect of above adjustments	-5,631	-3,832	-3,667	-3,824	-5,560	-3,274	2,604	-1,163	-4,247	-5,457	-3,244
Adjusted Net Income	71,788	76,700	80,270	85,647	86,422	81,095	71,393	76,249	65,013	65,645	66,405
Tax benefit of goodwill and acquired intangibles	6,774	6,918	6,918	6,918	7,258	9,322	9,327	9,328	9,513	9,524	9,537
Adjusted Net Income with Tax Benefit	**$ 78,562**	**$ 83,618**	**$ 87,188**	**$ 92,565**	**$ 93,680**	**$ 90,417**	**$ 80,720**	**$ 85,577**	**$ 74,526**	**$ 75,169**	**$ 75,942**
Weighted average shares outstanding – diluted	73,682	74,108	74,166	74,053	73,973	73,652	72,867	71,877	70,685	69,727	68,500
Adjusted Net income with Tax Benefit Per Diluted Share	**$ 1.07**	**$ 1.13**	**$ 1.18**	**$ 1.25**	**$ 1.27**	**$ 1.23**	**$ 1.11**	**$ 1.19**	**$ 1.05**	**$ 1.08**	**$ 1.11**

Detailed Reconciliation of Q3 '24 Adjusted Net Income

Three months ended September 30, 2024
(in thousands, except per-share amounts)

		Adjustments								
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs	Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 177,809						$ –	$ 177,809		
Fund administration and distribution fees	47,819						-	47,819		
Total revenue	**225,628**	**-**	**-**	**-**	**-**	**-**	**-**	**225,628**		
Expenses										
Personnel compensation and benefits (1)	43,243	-	-	(972)	15,168	-	14,196	57,439		
Distribution and other asset-based expenses (2)	36,828	-	-	-	-	-	-	36,828		
General and administrative (2)	14,029	(366)	-	-	-	-	(366)	13,663		
Depreciation and amortization (2)	7,510	-	(5,300)	-	-	-	(5,300)	2,210		
Change in value of consideration payable for acquisition of business (2)	(1,600)	-	-	-	1,600	-	1,600	-		
Acquisition-related costs (2)	5,075	-	-	-	(5,075)	-	(5,075)	-		
Restructuring and integration costs (2)	180	-	-	-	(180)	-	(180)	-		
Total operating expenses	**105,265**	**(366)**	**(5,300)**	**(972)**	**11,513**	**–**	**4,875**	**110,140**		
Income/(loss) from operations	**120,363**	**366**	**5,300**	**972**	**(11,513)**	**–**	**(4,875)**	**115,488**		
Other income (expense)										
Interest income and other income/(expense) (3)	3,551						-	3,551		
Interest expense and other financing costs (3)	(16,414)					775	775	(15,639)		
Loss on debt extinguishment (3)	-					-	-	-		
Total other income (expense), net	**(12,863)**	**–**	**–**	**–**	**–**	**775**	**775**	**(12,088)**		
Income/(loss) before income taxes	**107,500**	**366**	**5,300**	**972**	**(11,513)**	**775**	**(4,100)**	**103,400**		
Income tax (expense)/benefit	(25,517)	(92)	(1,325)	(243)	2,879	(194)	1,025	(24,492)	10,141	
Net income/(loss)	**$ 81,983**	**$ 274**	**$ 3,975**	**$ 729**	**$ (8,634)**	**$ 581**	**$ (3,075)**	**$ 78,908**	**+ $ 10,141**	**= $ 89,049**
Earnings per share—basic	$ 1.26							$ 1.22	$ 0.16	
Earnings per share—diluted	$ 1.24							**$ 1.19**	**+ $ 0.15**	**= $ 1.35**
Weighted average shares outstanding—basic	64,875							64,875	64,875	
Weighted average shares outstanding—diluted	66,057							66,057	66,057	
Memo: Expenses										
Personnel (1)	43,243							57,439		
Operating (2)	62,022							52,701		
Non-Operating (3)	12,863							12,088		

Detailed Reconciliation of Q2 '24 Adjusted Net Income

(in thousands, except per-share amounts)

		Adjustments								
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs	Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 173,163						$ –	$ 173,163		
Fund administration and distribution fees	46,458						-	46,458		
Total revenue	**219,621**	**-**	**-**	**-**	**-**	**-**	**-**	**219,621**		
Expenses										
Personnel compensation and benefits (1)	55,660	-	-	(940)	(526)	-	(1,466)	54,194		
Distribution and other asset-based expenses (2)	36,474	-	-	-	-	-	-	36,474		
General and administrative (2)	14,385	(414)	-	-	-	-	(414)	13,971		
Depreciation and amortization (2)	7,551	-	(5,299)	-	-	-	(5,299)	2,252		
Change in value of consideration payable for acquisition of business (2)	(8,200)	-	-	-	8,200	-	8,200	-		
Acquisition-related costs (2)	3,049	-	-	-	(3,049)	-	(3,049)	-		
Restructuring and integration costs (2)	105	-	-	-	(105)	-	(105)	-		
Total operating expenses	**109,024**	**(414)**	**(5,299)**	**(940)**	**4,520**	**–**	**(2,133)**	**106,891**		
Income/(loss) from operations	**110,597**	**414**	**5,299**	**940**	**(4,520)**	**–**	**2,133**	**112,730**		
Other income (expense)										
Interest income and other income/(expense) (3)	1,557						-	1,557		
Interest expense and other financing costs (3)	(16,279)					803	803	(15,476)		
Loss on debt extinguishment (3)	(100)					71	71	(29)		
Total other income (expense), net	**(14,822)**	**–**	**–**	**–**	**–**	**874**	**874**	**(13,948)**		
Income/(loss) before income taxes	**95,775**	**414**	**5,299**	**940**	**(4,520)**	**874**	**3,007**	**98,782**		
Income tax (expense)/benefit	(21,524)	(104)	(1,325)	(235)	1,130	(219)	(753)	(22,277)	10,141	
Net income/(loss)	**$ 74,251**	**$ 310**	**$ 3,974**	**$ 705**	**$ (3,390)**	**$ 655**	**$ 2,254**	**$ 76,505**	**+ $ 10,141**	**= $ 86,646**
Earnings per share—basic	$ 1.15							$ 1.18	$ 0.16	
Earnings per share—diluted	$ 1.12							**$ 1.16**	**+ $ 0.15**	**= $ 1.31**
Weighted average shares outstanding—basic	64,734							64,734	64,734	
Weighted average shares outstanding—diluted	66,075							66,075	66,075	
Memo: Expenses										
Personnel (1)	55,660							54,194		
Operating (2)	53,364							52,697		
Non-Operating (3)	14,822							13,948		

Detailed Reconciliation of Q1 '24 Adjusted Net Income

(in thousands, except per-share amounts)

	U.S. GAAP Basis	Adjustments: Other Business Taxes	Adjustments: GAAP Amortization of Acquisition-Related Intangibles	Adjustments: Stock-Based Compensation	Adjustments: Acquisition, Restructuring and Exit Costs	Adjustments: Debt Issuance Costs	Adjustments: Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 169,785						$ –	$ 169,785		
Fund administration and distribution fees	46,072						-	46,072		
Total revenue	**215,857**	**-**	**-**	**-**	**-**	**-**	**-**	**215,857**		
Expenses										
Personnel compensation and benefits (1)	59,454			(1,327)	(987)		(2,314)	57,140		
Distribution and other asset-based expenses (2)	36,263						-	36,263		
General and administrative (2)	14,012	(369)					(369)	13,643		
Depreciation and amortization (2)	7,601		(5,332)				(5,332)	2,269		
Change in value of consideration payable for acquisition of business (2)	12,200				(12,200)		(12,200)	-		
Acquisition-related costs (2)	1,026				(1,026)		(1,026)	-		
Restructuring and integration costs (2)	492				(492)		(492)	-		
Total operating expenses	**131,048**	**(369)**	**(5,332)**	**(1,327)**	**(14,705)**	**–**	**(21,733)**	**109,315**		
Income/(loss) from operations	**84,809**	**369**	**5,332**	**1,327**	**14,705**	**–**	**21,733**	**106,542**		
Other income (expense)										
Interest income and other income/(expense) (3)	3,565						-	3,565		
Interest expense and other financing costs (3)	(16,486)					755	755	(15,731)		
Loss on debt extinguishment (3)	-					-	-	-		
Total other income (expense), net	**(12,921)**	**–**	**–**	**–**	**–**	**755**	**755**	**(12,166)**		
Income/(loss) before income taxes	**71,888**	**369**	**5,332**	**1,327**	**14,705**	**755**	**22,488**	**94,376**		
Income tax (expense)/benefit	(16,197)	(92)	(1,332)	(332)	(3,675)	(190)	(5,621)	(21,818)	9,748	
Net income/(loss)	**$ 55,691**	**$ 277**	**$ 4,000**	**$ 995**	**$ 11,030**	**$ 565**	**$ 16,867**	**$ 72,558**	**+ $ 9,748**	**= $ 82,306**
Earnings per share—basic	$ 0.86							$ 1.13	$ 0.15	
Earnings per share—diluted	$ 0.84							**$ 1.10**	**+ $ 0.15**	**= $ 1.25**
Weighted average shares outstanding—basic	64,389							64,389	64,389	
Weighted average shares outstanding—diluted	65,972							65,972	65,972	
Memo: Expenses										
Personnel (1)	59,454							57,140		
Operating (2)	71,594							52,175		
Non-Operating (3)	12,921							12,166		

Detailed Reconciliation of Q4 '23 Adjusted Net Income

(in thousands, except per-share amounts)

		Adjustments								
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs	Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 160,677						$ –	$ 160,677		
Fund administration and distribution fees	45,117						-	45,117		
Total revenue	**205,794**	**-**	**-**	**-**	**-**	**-**	**-**	**205,794**		
Expenses										
Personnel compensation and benefits (1)	53,949	-	-	(1,503)	(1,183)	-	(2,686)	51,263		
Distribution and other asset-based expenses (2)	36,438	-	-	-	-	-	-	36,438		
General and administrative (2)	16,702	(305)	-	-	-	(2,365)	(2,670)	14,032		
Depreciation and amortization (2)	7,984	-	(5,711)	-	-	-	(5,711)	2,273		
Change in value of consideration payable for acquisition of business (2)	4,000	-	-	-	(4,000)	-	(4,000)	-		
Acquisition-related costs (2)	83	-	-	-	(83)	-	(83)	-		
Restructuring and integration costs (2)	320	-	-	-	(320)	-	(320)	-		
Total operating expenses	**119,476**	**(305)**	**(5,711)**	**(1,503)**	**(5,586)**	**(2,365)**	**(15,470)**	**104,006**		
Income/(loss) from operations	**86,318**	**305**	**5,711**	**1,503**	**5,586**	**2,365**	**15,470**	**101,788**		
Other income (expense)										
Interest income and other income/(expense) (3)	3,765				-		-	3,765		
Interest expense and other financing costs (3)	(16,561)					763	763	(15,798)		
Loss on debt extinguishment (3)	-					-	-	-		
Total other income (expense), net	**(12,796)**	**–**	**–**	**–**	**–**	**763**	**763**	**(12,033)**		
Income/(loss) before income taxes	**73,522**	**305**	**5,711**	**1,503**	**5,586**	**3,128**	**16,233**	**89,755**		
Income tax (expense)/benefit	(18,316)	(76)	(1,428)	(377)	(1,398)	(782)	(4,061)	(22,377)	9,655	
Net income/(loss)	**$ 55,206**	**$ 229**	**$ 4,283**	**$ 1,126**	**$ 4,188**	**$ 2,346**	**$ 12,172**	**$ 67,378**	**+ $ 9,655**	**= $ 77,033**
Earnings per share—basic	$ 0.85							$ 1.03	$ 0.15	
Earnings per share—diluted	$ 0.82							**$ 1.01**	**+ $ 0.14**	**= $ 1.15**
Weighted average shares outstanding—basic	65,309							65,309	65,309	
Weighted average shares outstanding—diluted	66,935							66,935	66,935	
Memo: Expenses										
Personnel (1)	53,949							51,263		
Operating (2)	65,527							52,743		
Non-Operating (3)	12,796							12,033		

Detailed Reconciliation of Q3 '23 Adjusted Net Income

(in thousands, except per-share amounts)

		Adjustments								
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs	Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles	
Revenue										
Investment management fees	$ 163,953						$ –	$ 163,953		
Fund administration and distribution fees	45,735						-	45,735		
Total revenue	**209,688**	**-**	**-**	**-**	**-**	**-**	**-**	**209,688**		
Expenses										
Personnel compensation and benefits (1)	54,501	-	-	(1,451)	(1,365)	-	(2,816)	51,685		
Distribution and other asset-based expenses (2)	38,160	-	-	-	-	-	-	38,160		
General and administrative (2)	13,947	(636)	-	-	-	-	(636)	13,311		
Depreciation and amortization (2)	12,333	-	(10,032)	-	-	-	(10,032)	2,301		
Change in value of consideration payable for acquisition of business (2)	10,336	-	-	-	(10,336)	-	(10,336)	-		
Acquisition-related costs (2)	116	-	-	-	(116)	-	(116)	-		
Restructuring and integration costs (2)	246	-	-	-	(246)	-	(246)	-		
Total operating expenses	**129,639**	**(636)**	**(10,032)**	**(1,451)**	**(12,063)**	**–**	**(24,182)**	**105,457**		
Income/(loss) from operations	**80,049**	**636**	**10,032**	**1,451**	**12,063**	**–**	**24,182**	**104,231**		
Other income (expense)										
Interest income and other income/(expense) (3)	1,452				(600)		(600)	852		
Interest expense and other financing costs (3)	(15,580)					762	762	(14,818)		
Loss on debt extinguishment (3)	-					-	-	-		
Total other income (expense), net	**(14,128)**	**–**	**–**	**–**	**(600)**	**762**	**162**	**(13,966)**		
Income/(loss) before income taxes	**65,921**	**636**	**10,032**	**1,451**	**11,463**	**762**	**24,344**	**90,265**		
Income tax (expense)/benefit	(13,914)	(159)	(2,508)	(362)	(2,865)	(191)	(6,085)	(19,999)	9,536	
Net income/(loss)	**$ 52,007**	**$ 477**	**$ 7,524**	**$ 1,089**	**$ 8,598**	**$ 571**	**$ 18,259**	**$ 70,266**	**+ $ 9,536**	**= $ 79,802**
Earnings per share—basic	$ 0.79							$ 1.07	$ 0.14	
Earnings per share—diluted	$ 0.77							**$ 1.04**	**+ $ 0.14**	**= $ 1.18**
Weighted average shares outstanding—basic	65,774							65,774	65,774	
Weighted average shares outstanding—diluted	67,676							67,676	67,676	
Memo: Expenses										
Personnel (1)	54,501							51,685		
Operating (2)	75,138							53,772		
Non-Operating (3)	14,128							13,966		

Notes and Disclosures

Investing involves risk, including the potential loss of principal. There are no assurances that any fund or strategy will achieve its stated objective. All data in this presentation, unless otherwise noted, is as of September 30, 2024.

Past performance does not guarantee future results. Carefully consider a fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus or summary prospectus containing this and other important information, visit www.vcm.com/prospectus. Read it carefully before investing.

A fund's most recent performance can be found at vcm.com. 57 mutual funds and ETFs did not have 4- or 5- star overall ratings or are not rated. 32% of AUM in mutual funds and ETFs did not receive overall rating of 4 or 5 stars or are not rated. Internal analysis by Victory Capital was used to calculate relative performance. Not all asset classes considered are available to the general public and not all funds included have a history to be included in each time period. The returns used for this comparison are at net asset value (NAV), do not reflect the affect of sales charge, if applicable, and do not reflect the returns an investor would receive. Visit www.vcm.com for more information.

The Morningstar Rating for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and ten-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36–59 months of total returns, 60% five-year rating/40% three-year rating for 60–119 months of total returns, and 50% ten-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the ten-year overall star rating formula seems to give the most weight to the ten-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings may reflect fee waivers in effect; in their absence, ratings may have been lower.