



Fourth Quarter 2024  
Earnings Presentation  
February 7, 2025

# 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.

Quarterly Business Overview

Investment Performance

Fourth Quarter 2024 Financial Results

Appendix

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# Quarterly Business Overview

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## Q4 2024 Highlights

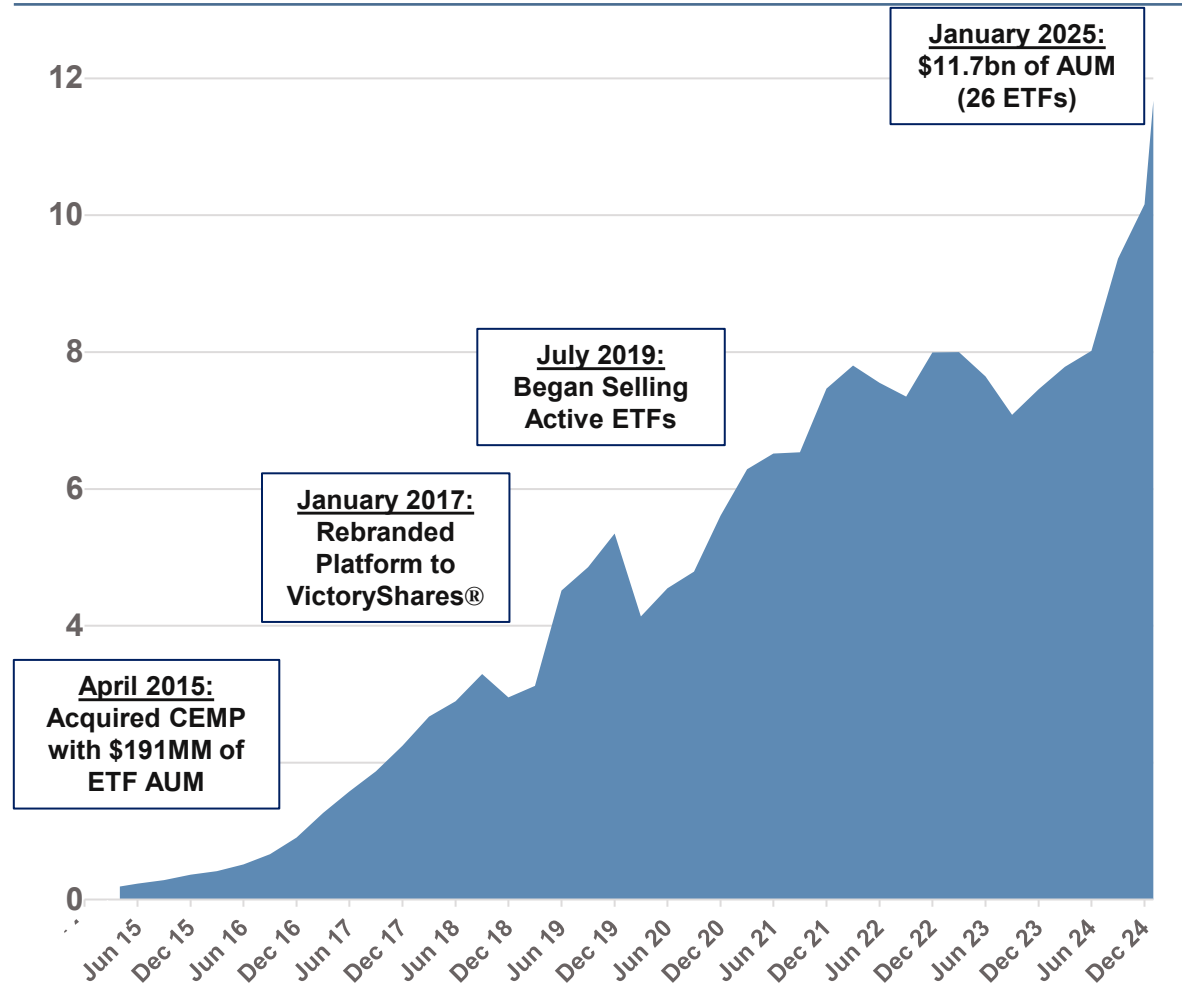
- Total client assets of \$176.1bn
- Long-term gross flows of \$6.6bn; net flows of -\$1.7bn
- Q4 adjusted earnings per diluted share with tax benefit of \$1.45
- Adjusted EBITDA of \$126MM
- Adjusted EBITDA margin of 54%

## Strategic Partnership with Amundi

- Expected closing by end of Q1 2025
- \$100MM in annual cost synergies by end of 2nd full year of ownership
  - Realized cost synergies will be front-end loaded with most achieved in year one
  - Integration is tracking as planned
- Amundi US year-end 2024 business update
  - Strong positive long-term net flows for 2024 across business
  - 61% of fund AUM rated 4/5 stars overall by Morningstar

- Platform has grown since acquiring business in 2015
  - Leverage investment expertise across our Investment Franchises and Solutions Platform
  - Use intermediary distribution footprint to continue sales momentum
- Satisfy investor demand for unique and innovative ETF products
- Numerous active ETFs providing access to:
  - Fixed Income
  - Equity
- Additional active ETFs in product development pipeline

## ETF AUM (\$Bn)



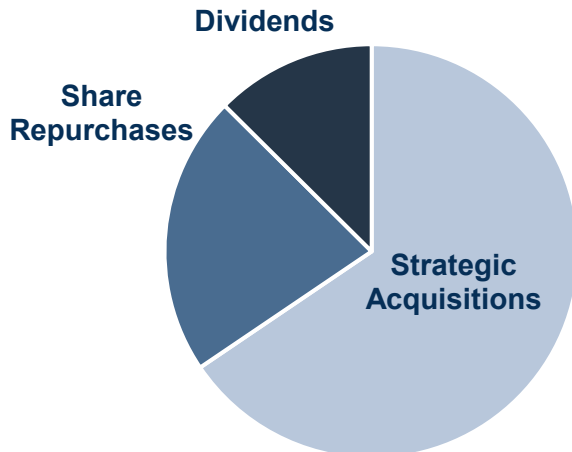
## Enhancing Shareholder Value by:

- 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

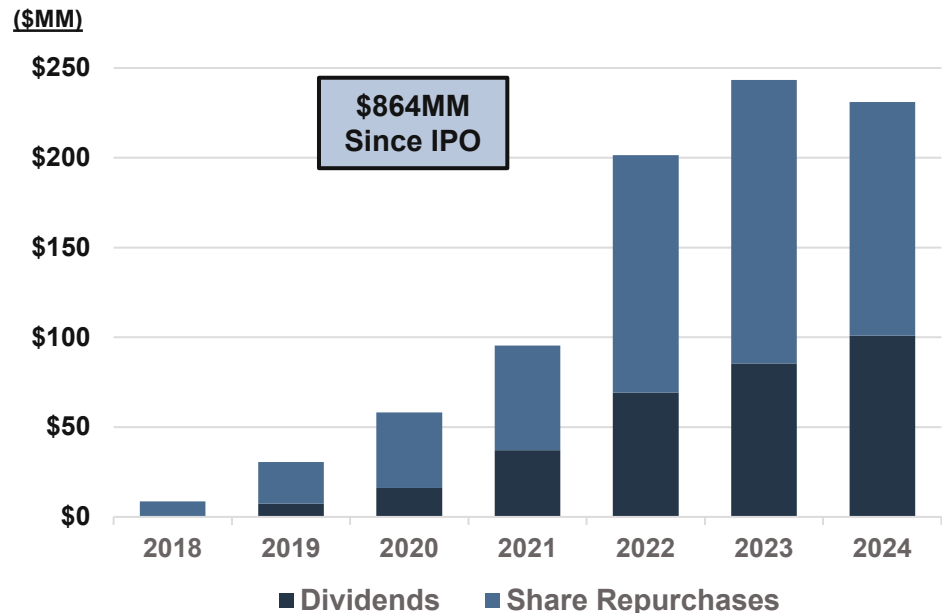
## Enhancing Balance Sheet Flexibility with:

- 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



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# Investment Performance

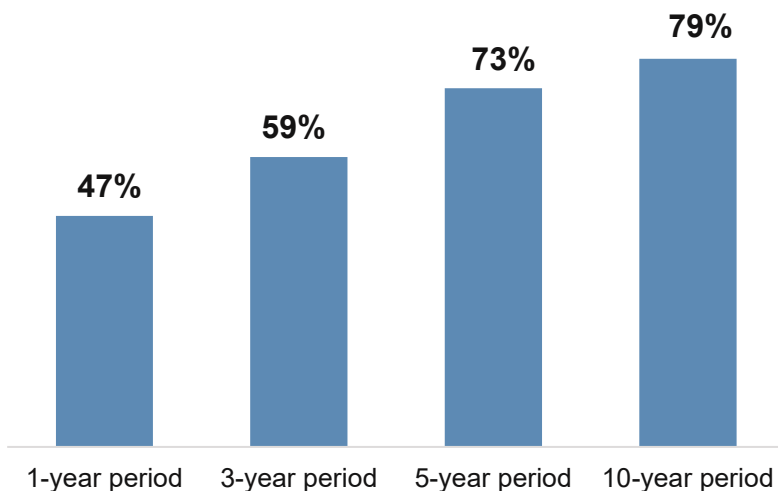
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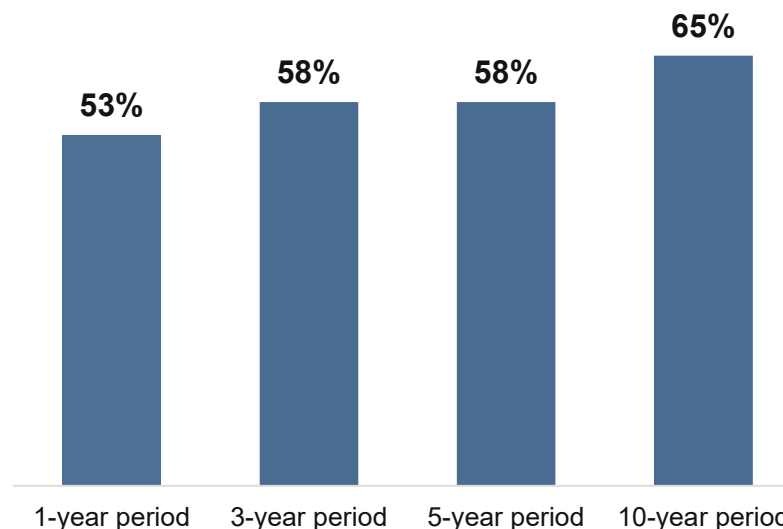
**45** Total Mutual Funds and ETFs with 4- or 5-Star overall ratings

**66%** Total Mutual Funds and ETFs AUM with 4- or 5-Star overall ratings

## AUM outperforming benchmarks



## Strategies outperforming benchmarks



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# Fourth Quarter 2024 Financial Results

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## Q4 2024 Financial Results

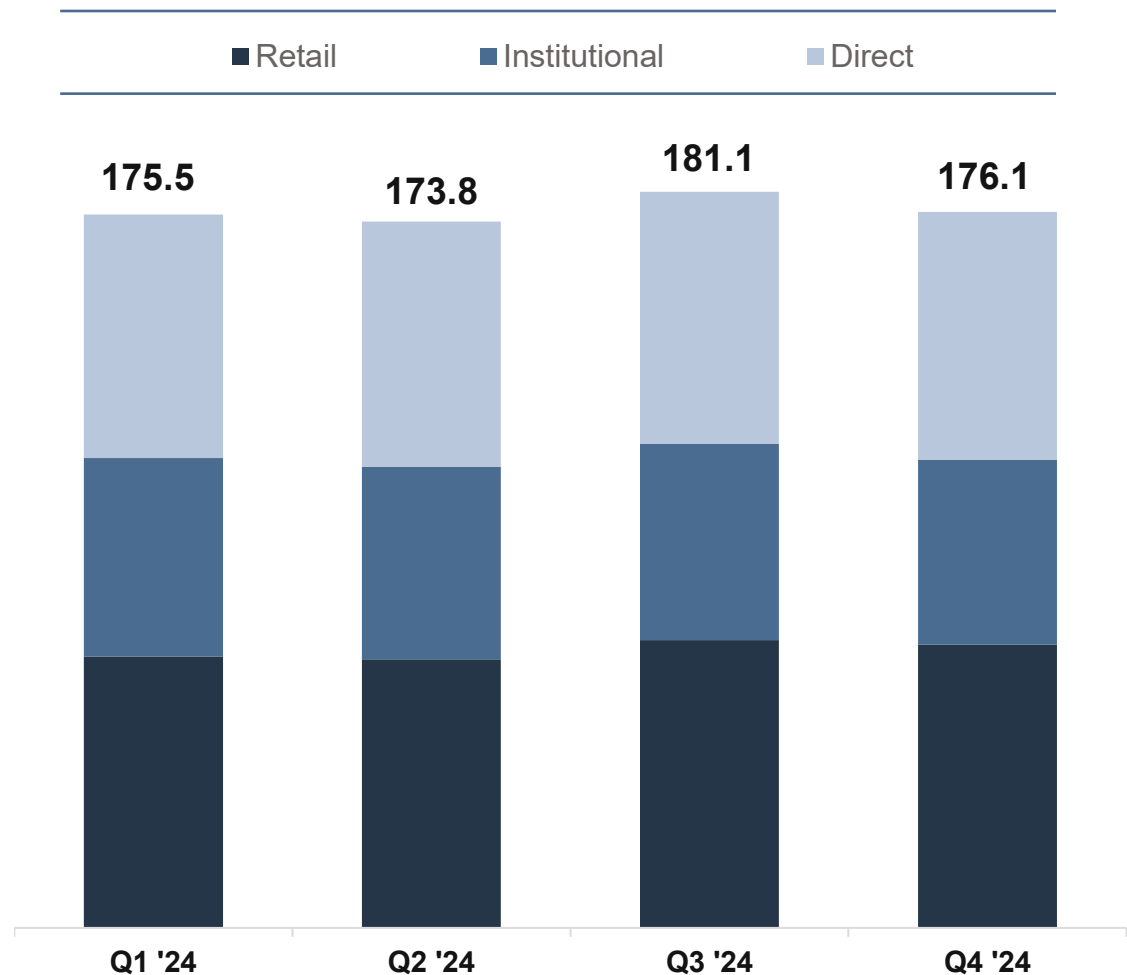
- Revenue of \$232.4MM
- GAAP Operating Income of \$111.7MM
- GAAP Operating margin of 48.1%
- GAAP Net Income of \$1.17 per diluted share
- Adjusted EBITDA of \$125.5MM
- Adjusted EBITDA margin of 54.0%
- Adjusted Net Income with tax benefit of \$95.1MM
- ANI plus tax benefit of \$1.45 per diluted share

## Capital Management

- Ended the quarter with \$126.7MM of cash
- Returned \$132.4MM to shareholders in quarter
- Increased quarterly cash dividend by 7% to \$0.47 per share
- Board authorized new \$200MM share repurchase program

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

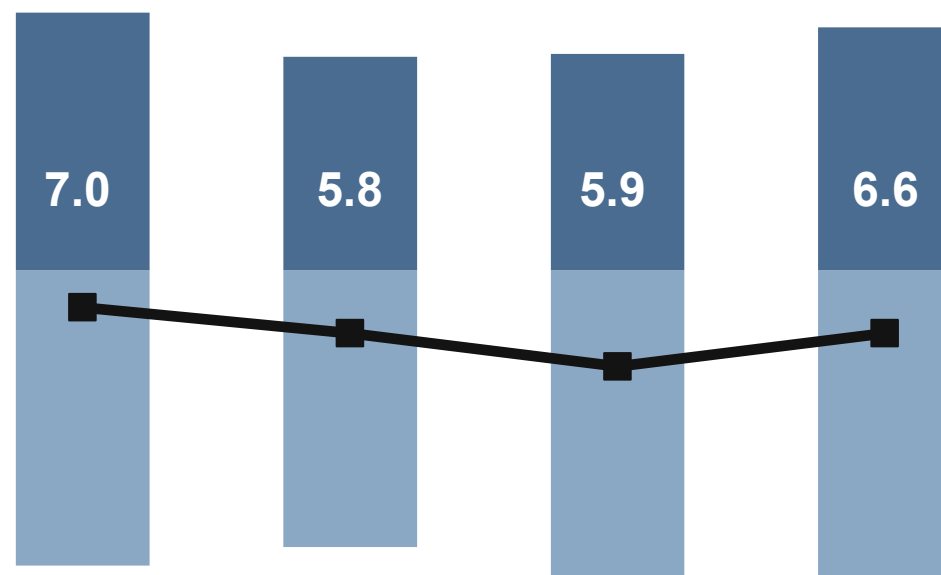
## Total Client Assets at Period End (\$Bn)



- Multiple Investment Franchises generated positive long-term net flows for the fourth quarter:
  - Victory Income Investors
  - RS Global
  - VictoryShares
- And, for FY 2024:
  - Victory Income Investors
  - Integrity
  - NEC
  - RS Global
  - VictoryShares
- Strong won-not-yet-funded

## Long-Term AUM Flows (\$Bn)

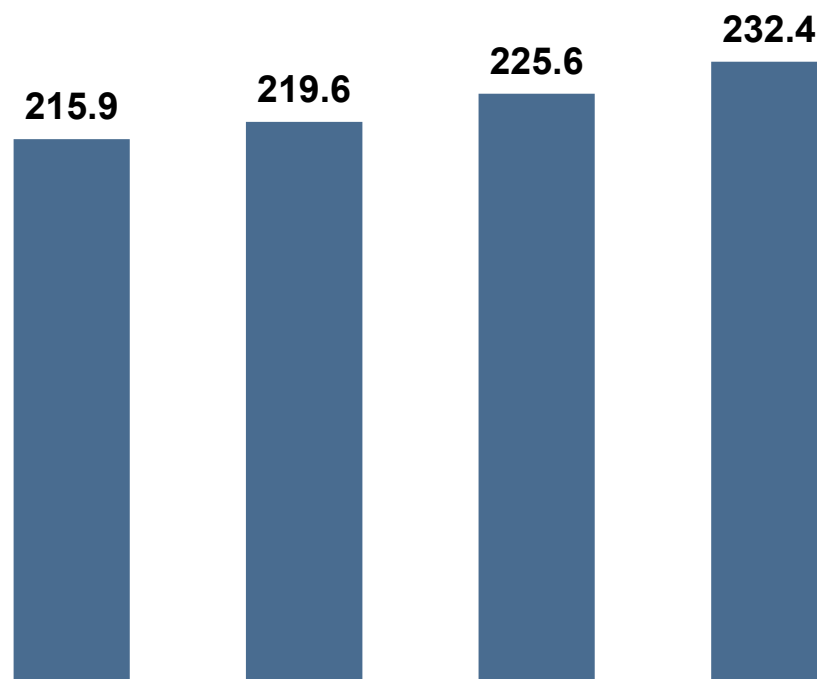
■ Gross Flows  
 ■ Gross Redemptions  
 ■ Net Flows



Operating Metrics	Q1 '24	Q2 '24	Q3 '24	Q4 '24
Net long-term AUM flows (\$MM)	-\$1,028	-\$1,701	-\$2,631	-\$1,729

- Record high quarterly and annual revenue
- Revenue increased 3% from Q3
- Up 13% from Q4 2023
- Year-over-year revenue grew 9% in 2024

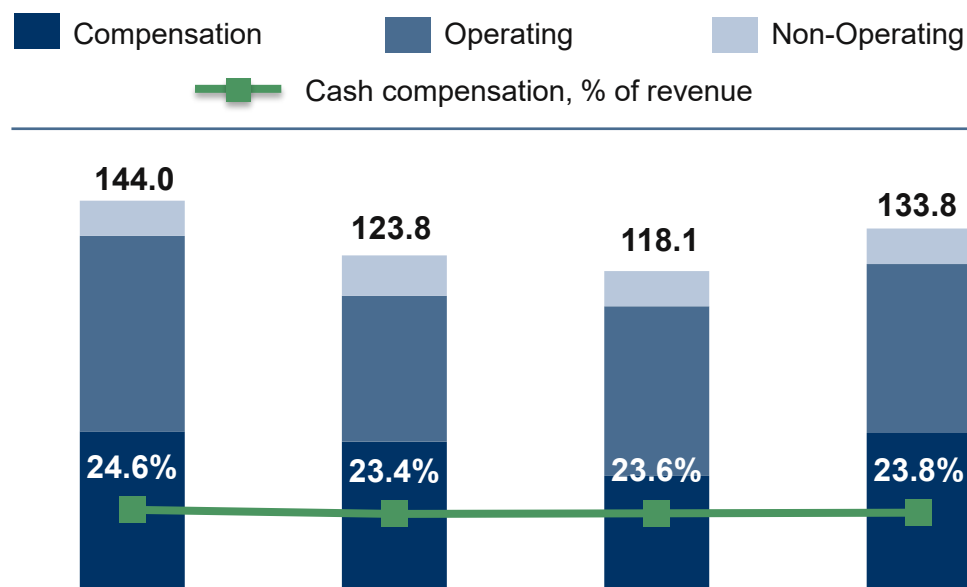
## Total Revenue (\$MM)



Operating Metrics	Q1 '24	Q2 '24	Q3 '24	Q4 '24
Average Total AUM (\$Bn)	163.5	167.5	171.9	<b>175.7</b>
Average Fee Rate (bps)	53.0	52.6	52.1	<b>52.5</b>

- Cash compensation rate consistent and within expected range
- Interest expense declined \$1.8MM from previous quarter

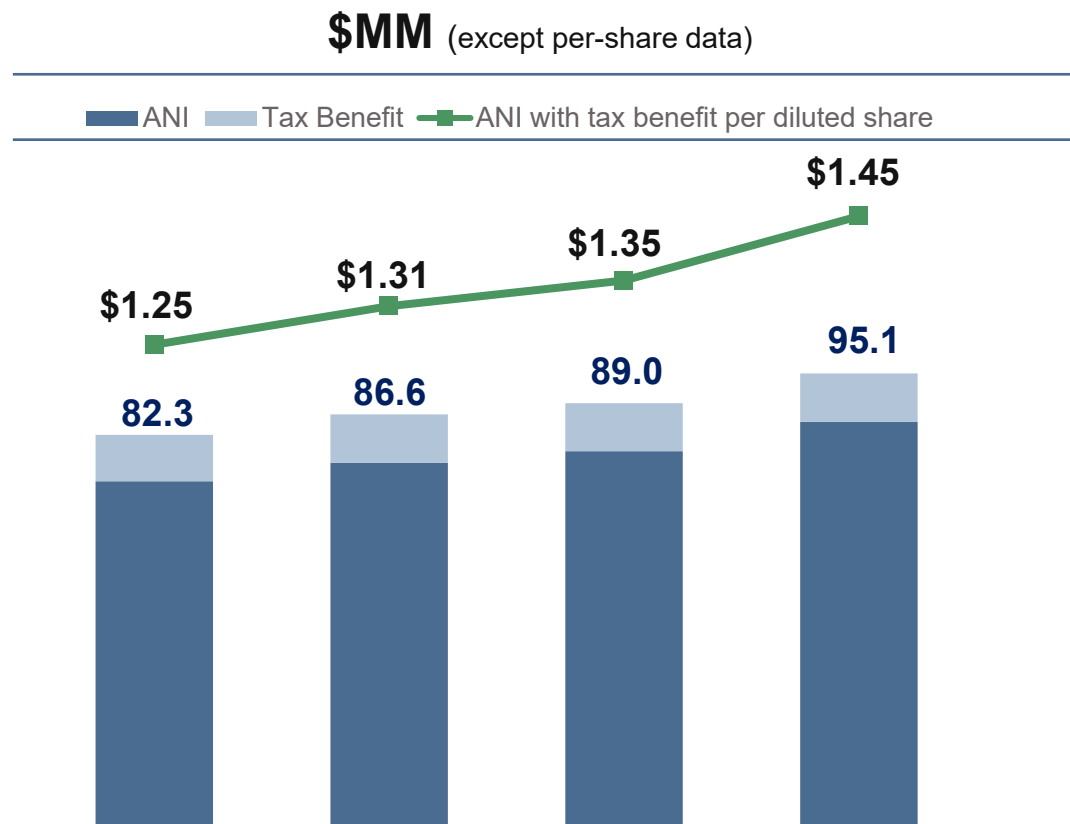
## Total Expenses (\$MM)



(\$MM)	Q1 '24	Q2 '24	Q3 '24	Q4 '24
Cash compensation and payroll taxes	53.1	51.3	53.3	<b>55.3</b>
Acquisition / Transaction related compensation	1.0	0.5	(15.2)	-
Equity compensation (non-cash)	4.0	3.8	3.7	<b>3.8</b>
Deferred compensation MTM (non-cash)	1.4	0.1	1.4	<b>(0.2)</b>
<b>Total Compensation Expenses</b>	59.5	55.7	43.2	<b>58.9</b>
Acquisition, restructuring, and integration expenses (income)	1.5	3.2	5.3	<b>2.8</b>
All other non-personnel operating expenses	70.1	50.2	56.8	<b>59.0</b>
<b>Total Operating Expenses</b>	131.0	109.0	105.3	<b>120.7</b>
<i>Unrealized gain/(loss) on deferred comp plan - offset</i>	1.4	0.1	1.4	<b>(0.2)</b>
<b>Total Non-Operating Exp. (inclusive of def comp)</b>	12.9	14.8	12.9	<b>13.2</b>
<b>Total Expenses</b>	144.0	123.8	118.1	<b>133.8</b>

Preliminary data. For internal use only.

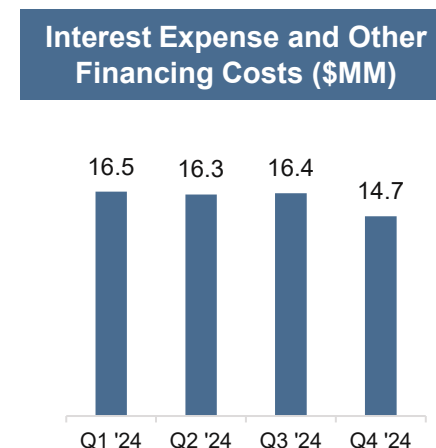
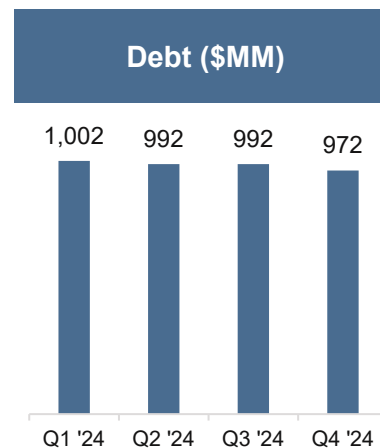
- Record quarterly diluted earnings per share of \$1.45
- 2024 vs 2023:
  - Adjusted EBITDA up 14%
  - ANI with Tax Benefit up 15%
  - ANI with Tax Benefit per share up 19%
  - Adjusted EBITDA Margin up 230 bps
- Highest level of quarterly Adjusted Net Income in the past 11 quarters
- 14<sup>th</sup> straight quarter with margins equal to or above 50%



Operating Metrics	Q1 '24	Q2 '24	Q3 '24	Q4 '24	FY 24
Adjusted EBITDA (\$MM)	112.4	116.5	121.3	125.5	475.6
Adjusted EBITDA margin (%)	52.1	53.0	53.7	54.0	53.2

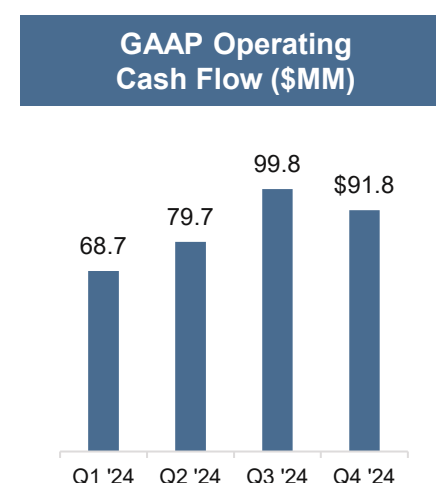
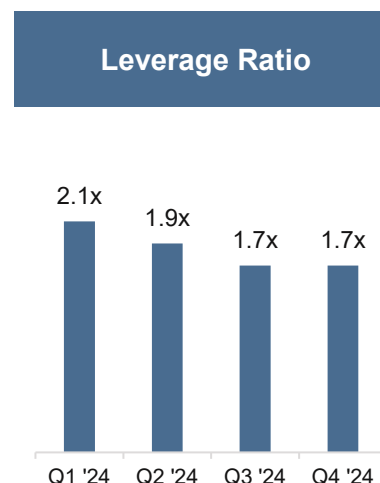
*Adjusted measures are non-GAAP financial measures. Reconciliations and explanations of these non-GAAP financial measures are provided at the end of this presentation.*

Selected Balance Sheet Items	Dec 31, 2024
Cash / Cash Equivalents (\$MM)	127
Debt (\$MM)	972
Stockholders' Equity (\$MM)	1,122
Diluted Shares Outstanding (MM)	65.5
Net Debt / Adjusted EBITDA	1.7x



### Highlights

- \$126.7MM of cash on balance sheet
- \$104.3MM of shares repurchases
- Paid down \$20MM of debt
- New \$200MM share repurchase plan authorization
- Cash dividend increased by 7%
- \$100MM revolver remains undrawn

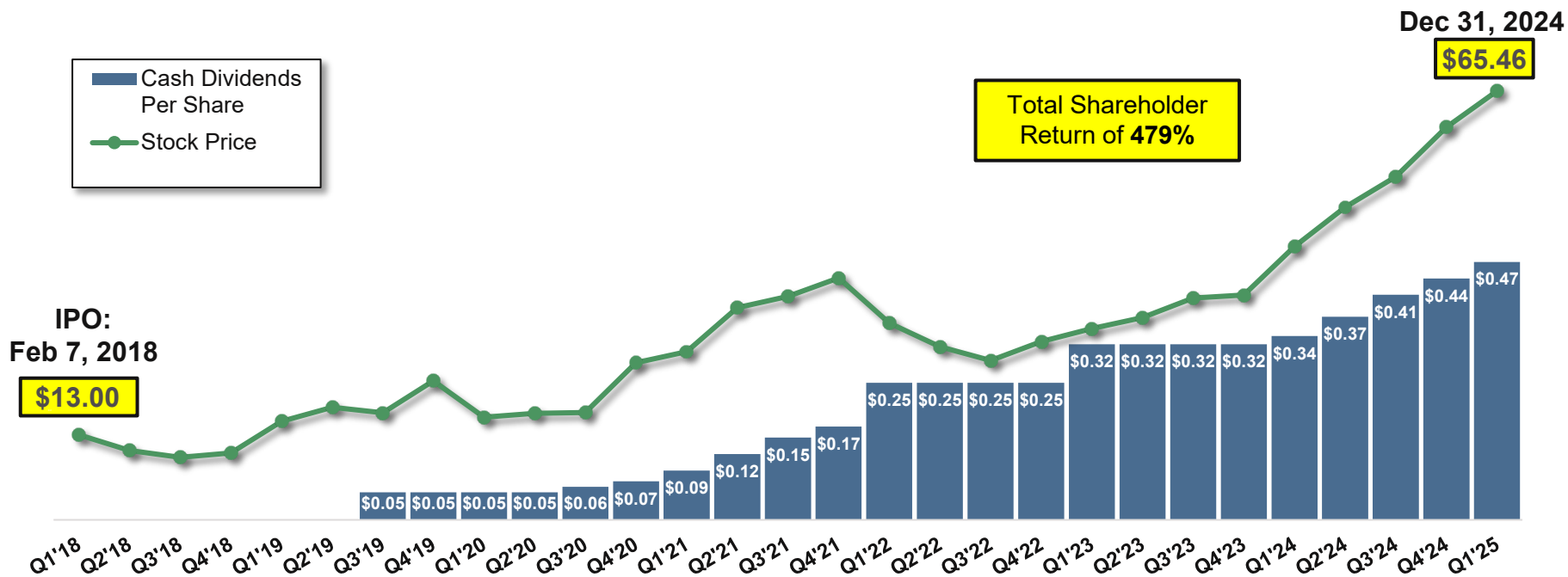


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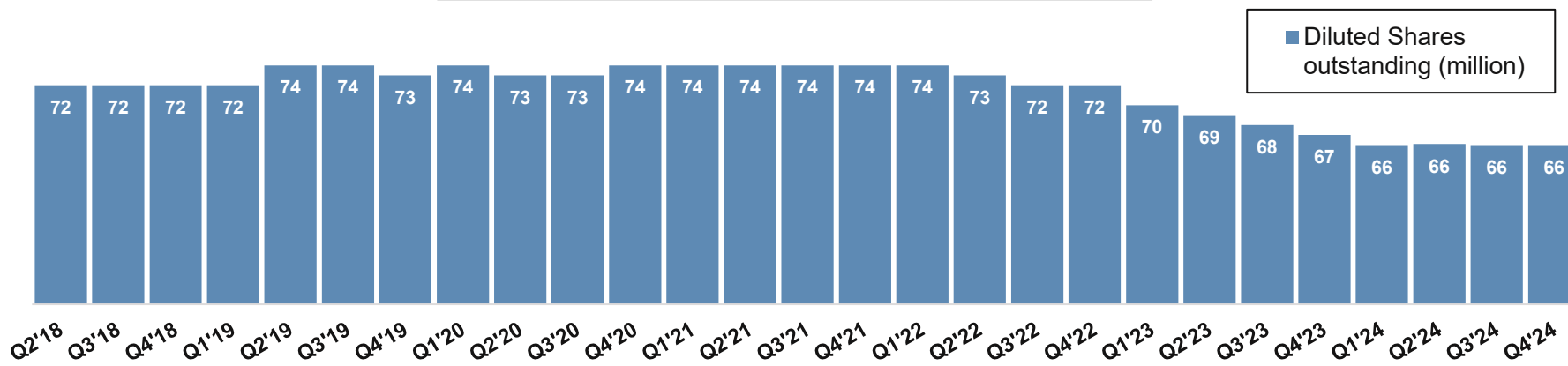
# Appendix

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# Shareholder Value Creation since IPO

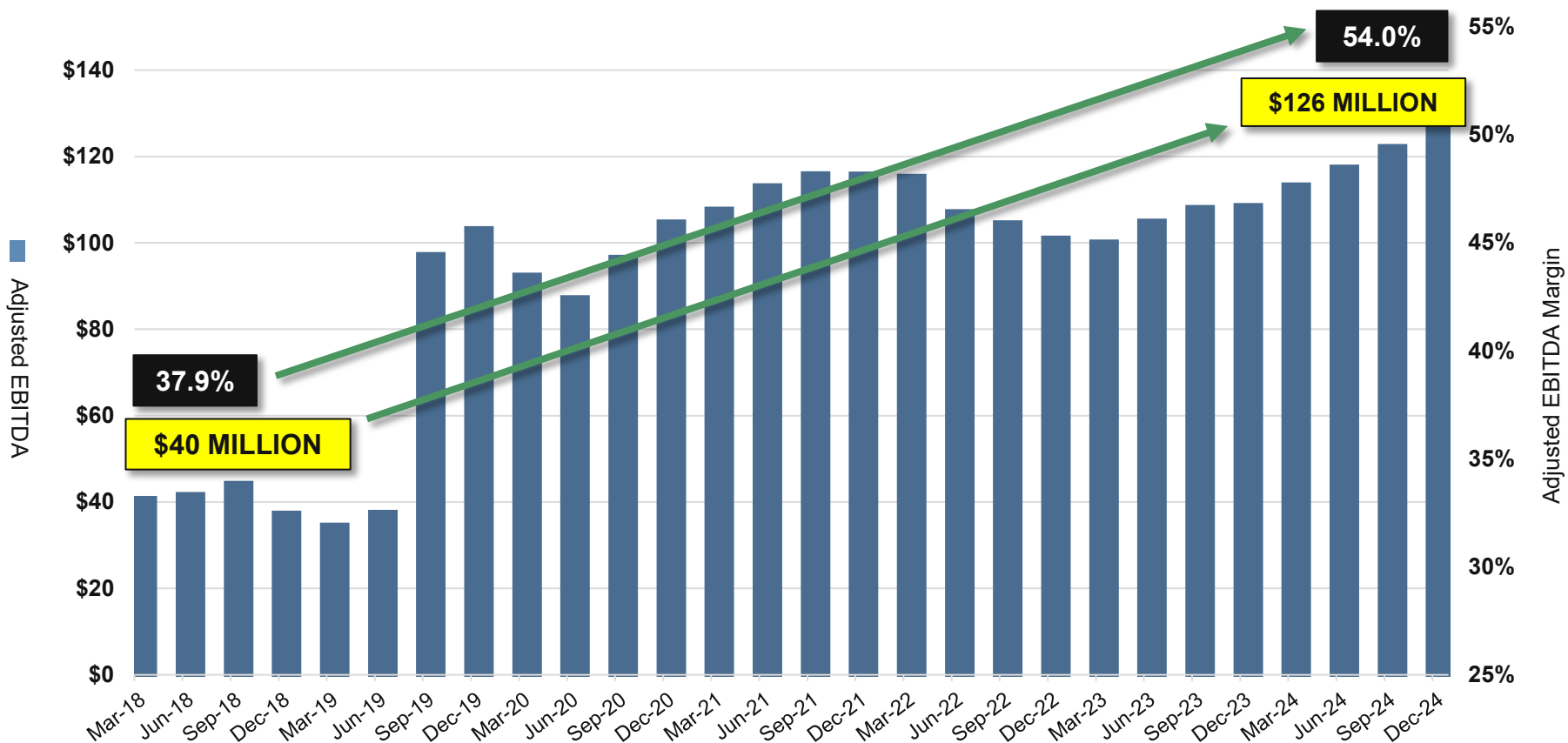


## Impact of Share Repurchases on Shares Outstanding



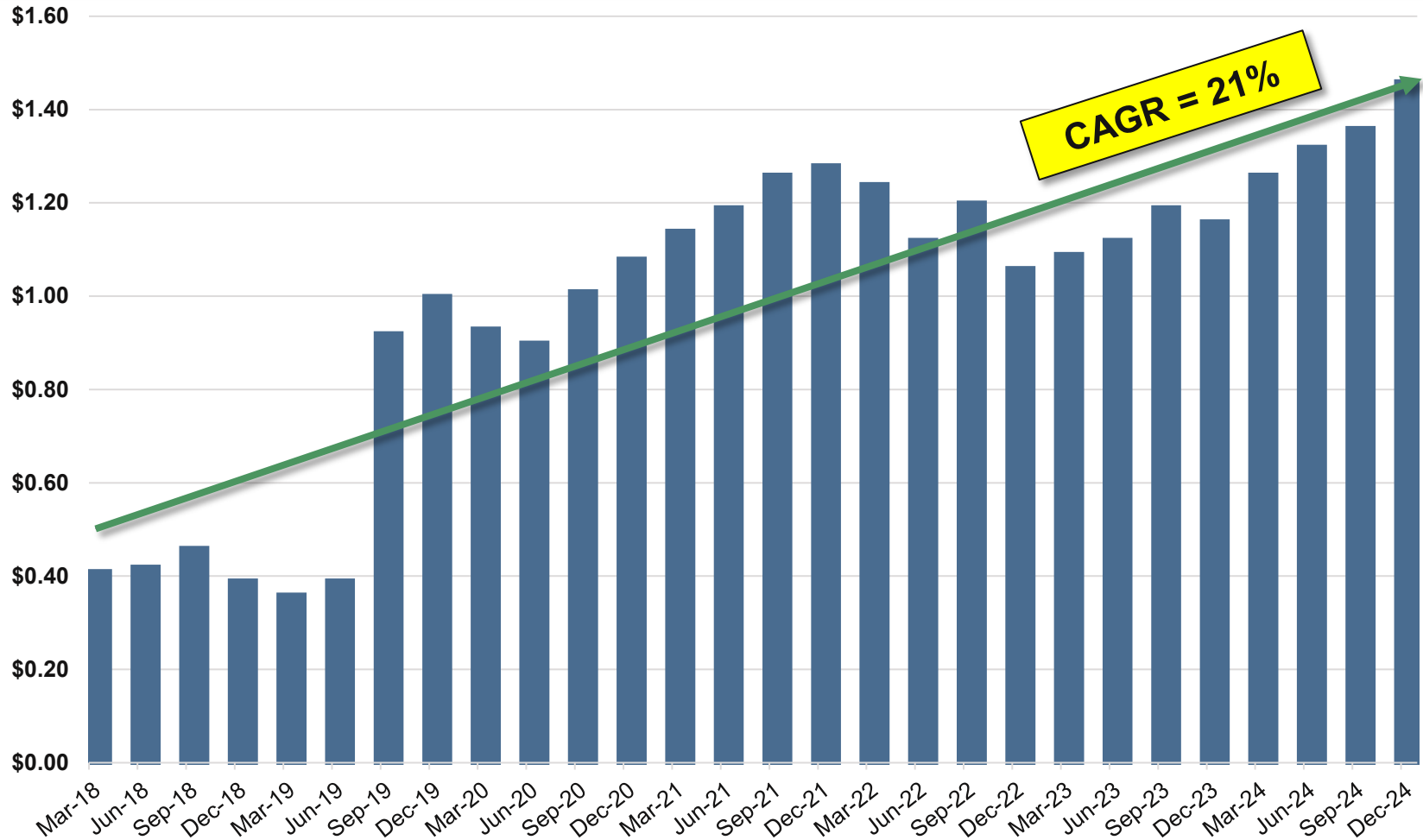
# Growth of Adjusted EBITDA & Margin Expansion

- Quarterly Adjusted EBITDA up 215%
- Adjusted EBITDA Margin Expanded 1,610 bps



# Growth of Adjusted EPS with Tax Benefit

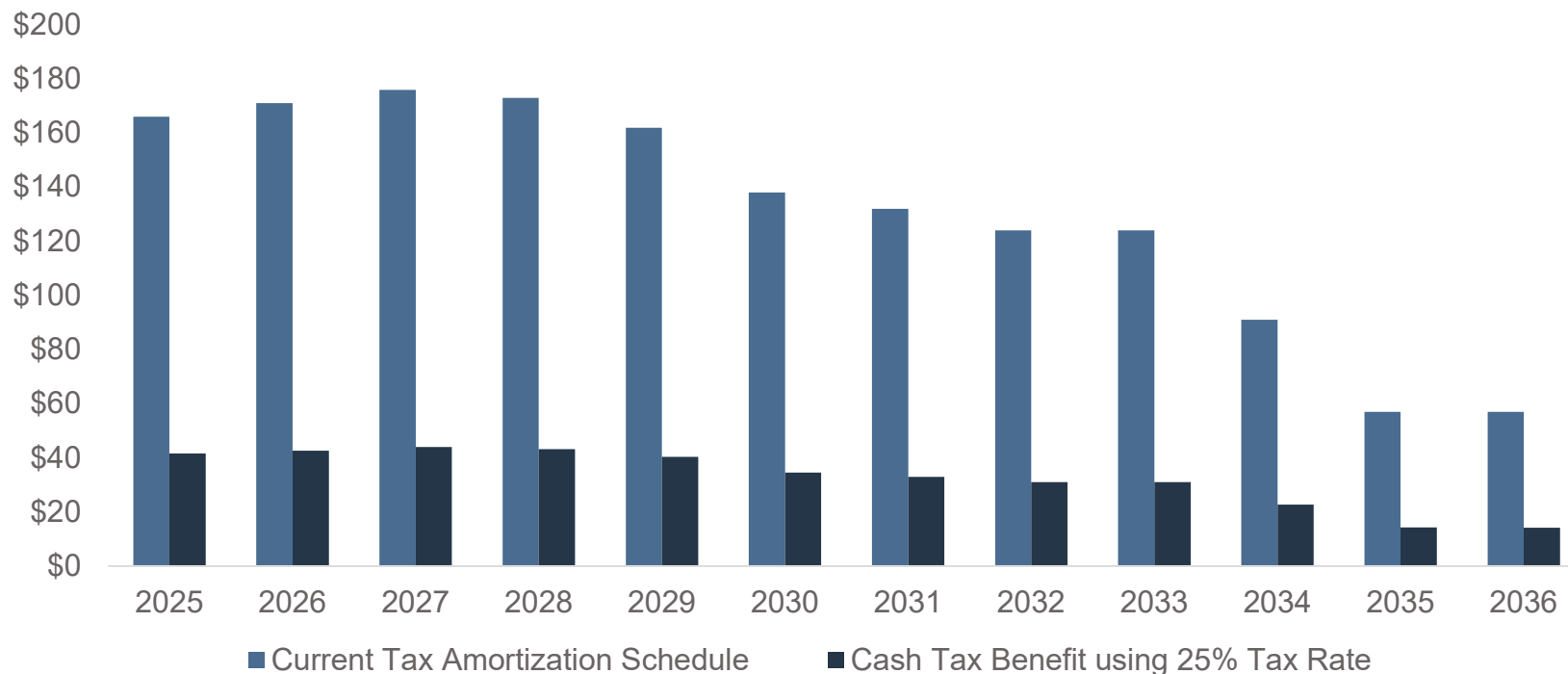
- Strong history of EPS growth
- Quarterly Adjusted EPS with Tax Benefit up 263%



## 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
  - \$1.6Bn in total future tax amortization
  - **\$393MM** in future cash tax savings, assuming 25% tax rate
  - **NPV \$265MM, discounted at 8%, or >\$4.00 per share**

### Future Tax Amortization and Cash Tax Savings (\$MM)



## **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,				
	<i>(in thousands except percentages)</i>				
	12/31/2023	03/31/2024	06/30/2024	09/30/2024	12/31/2024
<b>GAAP Net income</b>	\$ 55,206	\$ 55,691	\$ 74,251	\$ 81,983	\$ 76,939
GAAP Income tax expense	(18,316)	(16,197)	21,524	(25,517)	(21,654)
<b>GAAP income before taxes</b>	<b>73,522</b>	<b>71,888</b>	<b>95,775</b>	<b>107,500</b>	<b>98,593</b>
Interest expense	15,532	15,711	15,468	15,649	13,971
Depreciation	2,273	2,269	2,252	2,210	2,228
Other business taxes	305	369	414	366	376
GAAP amortization of acquisition-related intangibles	5,711	5,332	5,299	5,300	5,286
Stock-based compensation	1,503	1,327	940	972	1,007
Acquisition, restructuring and exit costs	5,586	14,705	(4,520)	(11,513)	3,063
Debt issuance costs	3,128	755	874	775	981
<b>Adjusted EBITDA</b>	<b>\$ 107,560</b>	<b>\$ 112,356</b>	<b>\$ 116,502</b>	<b>\$ 121,259</b>	<b>\$ 125,505</b>
<b>Revenue</b>	<b>\$ 205,794</b>	<b>\$ 215,857</b>	<b>\$ 219,621</b>	<b>\$ 225,628</b>	<b>\$ 232,368</b>
<b>Adjusted EBITDA Margin</b>	<b>52.3%</b>	<b>52.1%</b>	<b>53.0%</b>	<b>53.7%</b>	<b>54.0%</b>

# 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
<b>GAAP Net income</b>	\$ 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)
<b>GAAP income before taxes</b>	<b>14,081</b>	<b>24,986</b>	<b>27,152</b>	<b>18,692</b>	<b>19,334</b>	<b>18,861</b>	<b>34,050</b>	<b>48,443</b>	<b>73,989</b>	<b>59,207</b>	<b>72,768</b>
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	882	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)	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 39,782</b>	<b>\$ 40,677</b>	<b>\$ 43,321</b>	<b>\$ 36,388</b>	<b>\$ 33,587</b>	<b>\$ 36,573</b>	<b>\$ 96,295</b>	<b>\$ 102,332</b>	<b>\$ 91,490</b>	<b>\$ 86,344</b>	<b>\$ 95,645</b>
<b>Revenue</b>	\$ 104,964	\$ 104,400	\$ 108,082	\$ 95,967	\$ 87,479	\$ 91,360	\$ 214,980	\$ 218,554	\$ 204,421	\$ 181,886	\$ 188,656
<b>Adjusted EBITDA Margin</b>	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
<b>GAAP Net income</b>	\$ 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)
<b>GAAP income before taxes</b>	<b>72,576</b>	<b>82,864</b>	<b>89,899</b>	<b>92,356</b>	<b>85,523</b>	<b>90,544</b>	<b>104,995</b>	<b>85,346</b>	<b>69,148</b>	<b>61,870</b>	<b>74,595</b>
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	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 103,832</b>	<b>\$ 106,842</b>	<b>\$ 112,241</b>	<b>\$ 114,976</b>	<b>\$ 114,941</b>	<b>\$ 114,375</b>	<b>\$ 106,189</b>	<b>\$ 103,578</b>	<b>\$ 100,104</b>	<b>\$ 99,152</b>	<b>\$ 104,015</b>
<b>Revenue</b>	\$ 200,388	\$ 212,949	\$ 221,904	\$ 226,290	\$ 229,122	\$ 230,019	\$ 216,006	\$ 207,260	\$ 201,515	\$ 201,320	\$ 204,226
<b>Adjusted EBITDA Margin</b>	51.8%	50.2%	50.6%	50.8%	50.2%	49.7%	49.2%	50.0%	49.7%	49.3%	50.9%

	9/30/2023
<b>GAAP Net income</b>	\$ 52,007
GAAP Income tax expense	(13,915)
<b>GAAP income before taxes</b>	<b>65,922</b>
Interest expense	14,659
Depreciation	2,302
Other business taxes	636
GAAP amortization of acquisition-related intangibles	10,032
Stock-based compensation	1,451
Acquisition, restructuring and exit costs	11,463
Debt issuance costs	762
Pre-IPO governance expenses	-
Earnings/losses from equity method investments	-
<b>Adjusted EBITDA</b>	<b>\$ 107,227</b>
<b>Revenue</b>	\$ 209,688
<b>Adjusted EBITDA Margin</b>	51.1%

# Consolidated Reconciliations of Adjusted Net Income



	<b>For the three months ended,</b>				
	<i>(in thousands, except per-share data)</i>				
	<u>12/31/2023</u>	<u>03/31/2024</u>	<u>06/30/2024</u>	<u>09/30/2024</u>	<u>12/31/2024</u>
<b>GAAP Net Income</b>	<b>\$ 55,206</b>	<b>\$ 55,691</b>	<b>\$ 74,251</b>	<b>\$ 81,983</b>	<b>\$ 76,939</b>
Other business taxes	305	369	414	366	376
GAAP amortization of acquisition-related intangibles	5,711	5,332	5,299	5,300	5,286
Stock-based compensation	1,503	1,327	940	972	1,007
Acquisition, restructuring and exit costs	5,586	14,705	(4,520)	(11,513)	3,063
Debt issuance costs	3,128	755	874	775	981
Tax effect of above adjustments	(4,061)	(5,621)	(753)	1,025	(2,679)
Adjusted Net Income	67,378	72,558	76,505	78,908	84,973
Tax benefit of goodwill and acquired intangibles	9,655	9,748	10,141	10,141	10,141
<b>Adjusted Net Income with Tax Benefit</b>	<b>\$ 77,033</b>	<b>\$ 82,306</b>	<b>\$ 86,646</b>	<b>\$ 89,049</b>	<b>\$ 95,114</b>
Weighted average shares outstanding – diluted	66,935	65,972	66,075	66,057	65,519
<b>Adjusted Net income with Tax Benefit Per Diluted Share</b>	<b>\$ 1.15</b>	<b>\$ 1.25</b>	<b>\$ 1.31</b>	<b>\$ 1.35</b>	<b>\$ 1.45</b>

# 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
<b>GAAP Net Income</b>	<b>\$ 10,524</b>	<b>\$ 18,675</b>	<b>\$ 20,590</b>	<b>\$ 13,915</b>	<b>\$ 14,527</b>	<b>\$ 14,383</b>	<b>\$ 25,992</b>	<b>\$ 37,589</b>	<b>\$ 57,166</b>	<b>\$ 44,720</b>	<b>\$ 55,741</b>
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
<b>Adjusted Net Income with Tax Benefit</b>	<b>\$ 26,395</b>	<b>\$ 29,888</b>	<b>\$ 32,288</b>	<b>\$ 26,960</b>	<b>\$ 25,257</b>	<b>\$ 27,747</b>	<b>\$ 67,303</b>	<b>\$ 72,820</b>	<b>\$ 68,461</b>	<b>\$ 65,058</b>	<b>\$ 73,410</b>
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
<b>Adjusted Net income with Tax Benefit Per Diluted Share</b>	<b>\$ 0.40</b>	<b>\$ 0.41</b>	<b>\$ 0.45</b>	<b>\$ 0.38</b>	<b>\$ 0.35</b>	<b>\$ 0.38</b>	<b>\$ 0.91</b>	<b>\$ 0.99</b>	<b>\$ 0.92</b>	<b>\$ 0.89</b>	<b>\$ 1.00</b>

	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
<b>GAAP Net Income</b>	<b>\$ 54,895</b>	<b>\$ 65,202</b>	<b>\$ 69,270</b>	<b>\$ 74,175</b>	<b>\$ 69,742</b>	<b>\$ 71,273</b>	<b>\$ 79,205</b>	<b>\$ 72,764</b>	<b>\$ 52,269</b>	<b>\$ 49,273</b>	<b>\$ 56,671</b>
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
<b>Adjusted Net Income with Tax Benefit</b>	<b>\$ 78,562</b>	<b>\$ 83,618</b>	<b>\$ 87,188</b>	<b>\$ 92,565</b>	<b>\$ 93,680</b>	<b>\$ 90,417</b>	<b>\$ 80,720</b>	<b>\$ 85,577</b>	<b>\$ 74,526</b>	<b>\$ 75,169</b>	<b>\$ 75,942</b>
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
<b>Adjusted Net income with Tax Benefit Per Diluted Share</b>	<b>\$ 1.07</b>	<b>\$ 1.13</b>	<b>\$ 1.18</b>	<b>\$ 1.25</b>	<b>\$ 1.27</b>	<b>\$ 1.23</b>	<b>\$ 1.11</b>	<b>\$ 1.19</b>	<b>\$ 1.05</b>	<b>\$ 1.08</b>	<b>\$ 1.11</b>

	9/30/2023
<b>GAAP Net Income</b>	<b>\$ 52,007</b>
Other business taxes	636
GAAP amortization of acquisition-related intangibles	10,032
Stock-based compensation	1,451
Acquisition, restructuring and exit costs	11,463
Debt issuance costs	762
Pre-IPO governance expenses	-
Tax effect of above adjustments	-6,085
Adjusted Net Income	70,266
Tax benefit of goodwill and acquired intangibles	9,536
<b>Adjusted Net Income with Tax Benefit</b>	<b>\$ 79,802</b>
Weighted average shares outstanding – diluted	67,676
<b>Adjusted Net income with Tax Benefit Per Diluted Share</b>	<b>\$ 1.18</b>

# Detailed Reconciliation of Q4 '24 Adjusted Net Income



## Three months ended December 31, 2024

(in thousands, except per-share amounts)

	Adjustments							Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles
	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		
<b>Revenue</b>									
Investment management fees	\$ 183,826						\$ -	\$ 183,826	
Fund administration and distribution fees	48,545						-	48,545	
Total revenue	<b>232,371</b>	-	-	-	-	-	-	<b>232,371</b>	
<b>Expenses</b>									
Personnel compensation and benefits (1)	58,857	-	-	(1,007)	-	-	(1,007)	57,850	
Distribution and other asset-based expenses (2)	36,924	-	-	-	-	-	-	36,924	
General and administrative (2)	14,268	(376)	-	-	-	-	(376)	13,892	
Depreciation and amortization (2)	7,514	-	(5,286)	-	-	-	(5,286)	2,228	
Change in value of consideration payable for acquisition of business (2)	294	-	-	-	(294)	-	(294)	-	
Acquisition-related costs (2)	2,135	-	-	-	(2,135)	-	(2,135)	-	
Restructuring and integration costs (2)	634	-	-	-	(634)	-	(634)	-	
Total operating expenses	<b>120,626</b>	<b>(376)</b>	<b>(5,286)</b>	<b>(1,007)</b>	<b>(3,063)</b>	<b>-</b>	<b>(9,732)</b>	<b>110,894</b>	
Income/(loss) from operations	<b>111,745</b>	<b>376</b>	<b>5,286</b>	<b>1,007</b>	<b>3,063</b>	<b>-</b>	<b>9,732</b>	<b>121,477</b>	
<b>Other income (expense)</b>									
Interest income and other income/(expense) (3)	1,768						-	1,768	
Interest expense and other financing costs (3)	(14,657)					775	775	(13,882)	
Loss on debt extinguishment (3)	(263)					206	206	(57)	
Total other income (expense), net	<b>(13,152)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>981</b>	<b>981</b>	<b>(12,171)</b>	
Income/(loss) before income taxes	<b>98,593</b>	<b>376</b>	<b>5,286</b>	<b>1,007</b>	<b>3,063</b>	<b>981</b>	<b>10,713</b>	<b>109,306</b>	
Income tax (expense)/benefit	(21,654)	(94)	(1,322)	(252)	(766)	(245)	(2,679)	(24,333)	10,141
Net income/(loss)	<b>\$ 76,939</b>	<b>\$ 282</b>	<b>\$ 3,964</b>	<b>\$ 755</b>	<b>\$ 2,297</b>	<b>\$ 736</b>	<b>\$ 8,034</b>	<b>\$ 84,973 + \$ 10,141 = \$ 95,114</b>	
Earnings per share—basic	\$ 1.19						\$ 1.32	\$ 0.16	
Earnings per share—diluted	\$ 1.17						\$ 1.30 + \$ 0.15 = \$ 1.45		
Weighted average shares outstanding—basic	64,428						64,428	64,428	
Weighted average shares outstanding—diluted	65,519						65,519	65,519	
<b>Memo: Expenses</b>									
Personnel (1)	58,857							57,850	
Operating (2)	61,769							53,044	
Non-Operating (3)	13,152							12,171	

# Detailed Reconciliation of Q3 '24 Adjusted Net Income



Three months ended September 30, 2024

(in thousands, except per-share amounts)

	Adjustments							Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles
	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		
<b>Revenue</b>									
Investment management fees	\$ 177,809						\$ -	\$ 177,809	
Fund administration and distribution fees	47,819						-	47,819	
Total revenue	<b>225,628</b>	-	-	-	-	-	-	<b>225,628</b>	
<b>Expenses</b>									
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	<b>105,265</b>	<b>(366)</b>	<b>(5,300)</b>	<b>(972)</b>	<b>11,513</b>	<b>-</b>	<b>4,875</b>	<b>110,140</b>	
Income/(loss) from operations	<b>120,363</b>	<b>366</b>	<b>5,300</b>	<b>972</b>	<b>(11,513)</b>	<b>-</b>	<b>(4,875)</b>	<b>115,488</b>	
<b>Other income (expense)</b>									
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	<b>(12,863)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>775</b>	<b>775</b>	<b>(12,088)</b>	
Income/(loss) before income taxes	<b>107,500</b>	<b>366</b>	<b>5,300</b>	<b>972</b>	<b>(11,513)</b>	<b>775</b>	<b>(4,100)</b>	<b>103,400</b>	
Income tax (expense)/benefit	(25,517)	(92)	(1,325)	(243)	2,879	(194)	1,025	(24,492)	10,141
Net income/(loss)	<b>\$ 81,983</b>	<b>\$ 274</b>	<b>\$ 3,975</b>	<b>\$ 729</b>	<b>\$ (8,634)</b>	<b>\$ 581</b>	<b>\$ (3,075)</b>	<b>\$ 78,908</b>	<b>+ \$ 10,141 = \$ 89,049</b>
Earnings per share—basic	\$ 1.26						\$ 1.22	\$ 0.16	
Earnings per share—diluted	\$ 1.24						<b>\$ 1.19</b>	<b>+ \$ 0.15 = \$ 1.35</b>	
Weighted average shares outstanding—basic	64,875						64,875	64,875	
Weighted average shares outstanding—diluted	66,057						66,057	66,057	
<b>Memo: Expenses</b>									
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						Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs			
<b>Revenue</b>									
Investment management fees	\$ 173,163						\$ -	\$ 173,163	
Fund administration and distribution fees	46,458						-	46,458	
Total revenue	<b>219,621</b>	-	-	-	-	-	-	<b>219,621</b>	
<b>Expenses</b>									
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	<b>109,024</b>	<b>(414)</b>	<b>(5,299)</b>	<b>(940)</b>	<b>4,520</b>	<b>-</b>	<b>(2,133)</b>	<b>106,891</b>	
Income/(loss) from operations	<b>110,597</b>	<b>414</b>	<b>5,299</b>	<b>940</b>	<b>(4,520)</b>	<b>-</b>	<b>2,133</b>	<b>112,730</b>	
<b>Other income (expense)</b>									
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	<b>(14,822)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>874</b>	<b>874</b>	<b>(13,948)</b>	
Income/(loss) before income taxes	<b>95,775</b>	<b>414</b>	<b>5,299</b>	<b>940</b>	<b>(4,520)</b>	<b>874</b>	<b>3,007</b>	<b>98,782</b>	
Income tax (expense)/benefit	(21,524)	(104)	(1,325)	(235)	1,130	(219)	(753)	(22,277)	10,141
Net income/(loss)	<b>\$ 74,251</b>	<b>\$ 310</b>	<b>\$ 3,974</b>	<b>\$ 705</b>	<b>\$ (3,390)</b>	<b>\$ 655</b>	<b>\$ 2,254</b>	<b>\$ 76,505</b>	<b>+ \$ 10,141 = \$ 86,646</b>
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
<b>Memo: Expenses</b>									
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)

	Adjustments						Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs			
<b>Revenue</b>									
Investment management fees	\$ 169,785						\$ -	\$ 169,785	
Fund administration and distribution fees	46,072						-	46,072	
Total revenue	<b>215,857</b>	-	-	-	-	-	-	<b>215,857</b>	
<b>Expenses</b>									
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	<b>131,048</b>	<b>(369)</b>	<b>(5,332)</b>	<b>(1,327)</b>	<b>(14,705)</b>	<b>-</b>	<b>(21,733)</b>	<b>109,315</b>	
Income/(loss) from operations	<b>84,809</b>	<b>369</b>	<b>5,332</b>	<b>1,327</b>	<b>14,705</b>	<b>-</b>	<b>21,733</b>	<b>106,542</b>	
<b>Other income (expense)</b>									
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	<b>(12,921)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>755</b>	<b>755</b>	<b>(12,166)</b>	
Income/(loss) before income taxes	<b>71,888</b>	<b>369</b>	<b>5,332</b>	<b>1,327</b>	<b>14,705</b>	<b>755</b>	<b>22,488</b>	<b>94,376</b>	
Income tax (expense)/benefit	(16,197)	(92)	(1,332)	(332)	(3,675)	(190)	(5,621)	(21,818)	9,748
Net income/(loss)	<b>\$ 55,691</b>	<b>\$ 277</b>	<b>\$ 4,000</b>	<b>\$ 995</b>	<b>\$ 11,030</b>	<b>\$ 565</b>	<b>\$ 16,867</b>	<b>\$ 72,558</b>	<b>+ \$ 9,748 = \$ 82,306</b>
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
<b>Memo: Expenses</b>									
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						Total Adjustments	Non-GAAP Basis	Tax Benefit of Goodwill and Acquired Intangibles
	U.S. GAAP Basis	Other Business Taxes	GAAP Amortization of Acquisition-Related Intangibles	Stock-Based Compensation	Acquisition, Restructuring and Exit Costs	Debt Issuance Costs			
<b>Revenue</b>									
Investment management fees	\$ 160,677						\$ -	\$ 160,677	
Fund administration and distribution fees	45,117						-	45,117	
Total revenue	<b>205,794</b>	-	-	-	-	-	-	<b>205,794</b>	
<b>Expenses</b>									
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	<b>119,476</b>	<b>(305)</b>	<b>(5,711)</b>	<b>(1,503)</b>	<b>(5,586)</b>	<b>(2,365)</b>	<b>(15,470)</b>	<b>104,006</b>	
Income/(loss) from operations	<b>86,318</b>	<b>305</b>	<b>5,711</b>	<b>1,503</b>	<b>5,586</b>	<b>2,365</b>	<b>15,470</b>	<b>101,788</b>	
<b>Other income (expense)</b>									
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	<b>(12,796)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>763</b>	<b>763</b>	<b>(12,033)</b>	
Income/(loss) before income taxes	<b>73,522</b>	<b>305</b>	<b>5,711</b>	<b>1,503</b>	<b>5,586</b>	<b>3,128</b>	<b>16,233</b>	<b>89,755</b>	
Income tax (expense)/benefit	(18,316)	(76)	(1,428)	(377)	(1,398)	(782)	(4,061)	(22,377)	9,655
Net income/(loss)	<b>\$ 55,206</b>	<b>\$ 229</b>	<b>\$ 4,283</b>	<b>\$ 1,126</b>	<b>\$ 4,188</b>	<b>\$ 2,346</b>	<b>\$ 12,172</b>	<b>\$ 67,378</b>	<b>+ \$ 9,655 = \$ 77,033</b>
Earnings per share—basic	\$ 0.85						\$ 1.03	\$ 0.15	
Earnings per share—diluted	\$ 0.82						<b>\$ 1.01</b>	<b>+ \$ 0.14 = \$ 1.15</b>	
Weighted average shares outstanding—basic	65,309						65,309	65,309	
Weighted average shares outstanding—diluted	66,935						66,935	66,935	
<b>Memo: Expenses</b>									
Personnel (1)	53,949							51,263	
Operating (2)	65,527							52,743	
Non-Operating (3)	12,796							12,033	

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 December 31, 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](http://www.vcm.com/prospectus). Read it carefully before investing.**

A fund's most recent performance can be found at [vcm.com](http://vcm.com). 55 mutual funds and ETFs did not have 4- or 5- star overall ratings or are not rated. 34% 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](http://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.

ETF AUM on slide 5 *Includes ETFs within proprietary products.*