



Q1 2023

Earnings Release Supplement

T. Rowe Price Group, Inc.
May 2, 2023

A copy of this presentation, which includes additional information, is available at investors.troweprice.com.
Data as of March 31, 2023, unless otherwise noted.
All figures are USD, unless otherwise noted.

Forward-Looking Statement

This presentation, and other statements that T. Rowe Price may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to T. Rowe Price's future financial or business performance, strategies, or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may," and similar expressions. Forward-looking statements in this presentation may include, without limitation, information concerning future results of our operations, expenses, earnings, liquidity, cash flows and capital expenditures, industry or market conditions, amount or composition of assets under management, regulatory developments, demand for and pricing of our products, the timing and expense related to the integration of OHA with and into our business, general economic conditions, future transactions, new products and services, dividends, stock repurchases, changes in our effective fee rate, and other aspects of our business. T. Rowe Price cautions that forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements, and future results could differ materially from historical performance. Forward-looking statements speak only as of the date they are made, and T. Rowe Price assumes no duty to and does not undertake to update forward-looking statements.

We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in our most recent Form 10-K filed with the Securities and Exchange Commission.

Financial Highlights

| Key Metric | Q1 2022 | Q4 2022 | Q1 2023 |
|--|------------|------------|------------|
| AUM AND FLOWS | | | |
| Net Flows | (\$5.3B) | (\$17.1B) | (\$16.1B) |
| Assets Under Management (AUM) ¹ | \$1.55T | \$1.27T | \$1.34T |
| Average AUM | \$1.56T | \$1.28T | \$1.32T |
| Effective Fee Rate | 43.2bps | 42.3bps | 42.7bps |
| GAAP BASIS | | | |
| Net Revenues | \$1,863.0M | \$1,524.2M | \$1,537.6M |
| Operating Expenses | \$985.6M | \$1,271.1M | \$1,053.4M |
| Diluted GAAP Earnings per Share (EPS) | \$2.41 | \$1.16 | \$1.83 |
| NON-GAAP BASIS | | | |
| Adjusted Operating Expenses ² | \$1,039.1M | \$1,073.2M | \$1,022.5M |
| Adjusted EPS ² | \$2.62 | \$1.74 | \$1.69 |
| DIVIDENDS | | | |
| Dividend per share | \$1.20 | \$1.20 | \$1.22 |

¹ Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.

² For the reconciliation between GAAP and adjusted (non-GAAP) expenses and EPS, see the current earnings release and/or 10Q filed with the SEC.

- Increased dividend for 37th consecutive year
- Recognized by *Institutional Investor* as one of America's Top Asset Management Firms

Investment Performance Overview

| % of Funds/ Composites | U.S. Mutual Funds Outperforming Morningstar Median ^{1,2} | | | | U.S. Mutual Funds Outperforming Morningstar Passive Peer Median ^{1,3} | | | | Composites Outperforming Benchmarks ⁴ | | | |
|---------------------------|--|---------|---------|----------|---|---------|---------|----------|---|---------|---------|----------|
| | 1 year | 3 years | 5 years | 10 years | 1 year | 3 years | 5 years | 10 years | 1 year | 3 years | 5 years | 10 years |
| Equity | 57% | 50% | 62% | 80% | 56% | 39% | 53% | 66% | 45% | 34% | 49% | 69% |
| Fixed Income | 42% | 68% | 63% | 66% | 38% | 72% | 52% | 48% | 12% | 73% | 50% | 75% |
| Multi-Asset | 22% | 67% | 75% | 85% | 29% | 74% | 45% | 90% | NA | NA | NA | NA |
| All Funds | 40% | 61% | 66% | 76% | 41% | 59% | 50% | 64% | 31% | 51% | 50% | 71% |

| % of AUM | U.S. Mutual Funds Outperforming Morningstar Median ^{1,2} | | | | U.S. Mutual Funds Outperforming Morningstar Passive Peer Median ^{1,3} | | | | Composites Outperforming Benchmarks ⁴ | | | |
|---------------------|--|---------|---------|----------|---|---------|---------|----------|---|---------|---------|----------|
| | 1 year | 3 years | 5 years | 10 years | 1 year | 3 years | 5 years | 10 years | 1 year | 3 years | 5 years | 10 years |
| Equity | 47% | 48% | 50% | 84% | 47% | 30% | 43% | 59% | 42% | 37% | 40% | 54% |
| Fixed Income | 45% | 80% | 76% | 79% | 40% | 84% | 61% | 66% | 7% | 76% | 37% | 70% |
| Multi-Asset | 3% | 91% | 94% | 97% | 3% | 95% | 89% | 97% | NA | NA | NA | NA |
| All Funds | 35% | 63% | 64% | 87% | 34% | 54% | 59% | 70% | 35% | 44% | 40% | 56% |

Past performance is not a reliable indicator of future performance.

The investment performance reflects that of the T. Rowe Price-sponsored mutual funds and composites.

¹Source: © 2023 Morningstar, Inc. All rights reserved. Please see page 15 for more information.

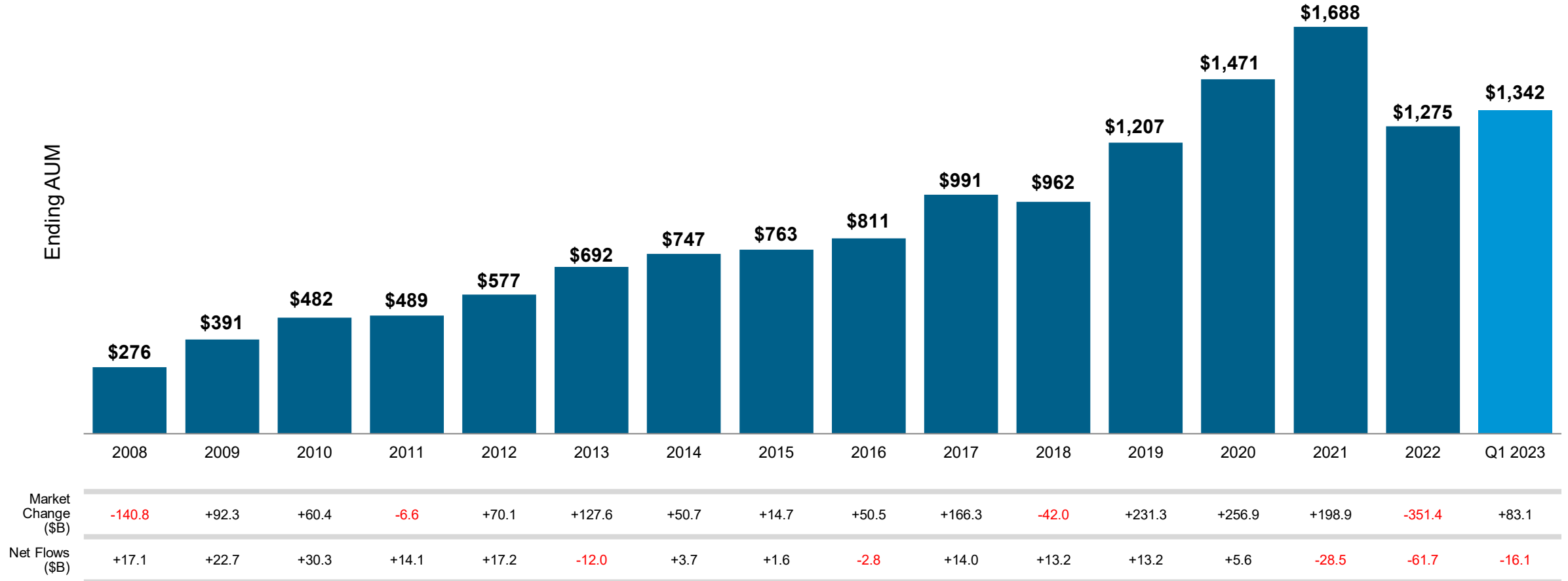
²Primary share class only. Excludes T. Rowe Price passive funds and fund categories not ranked by Morningstar. Net = NAV.

³Primary share class only. Excludes T. Rowe Price passive funds and institutional funds that are a clone of a retail fund. Mutual funds are measured against the most appropriate style benchmark used for portfolio manager evaluation, which may not always be the prospectus benchmark. Net=NAV.

⁴Net returns for composites are calculated using the highest applicable separate account fee schedule and compared to official GIPS composite primary benchmark. Excludes money market composites.

Assets Under Management

U.S. \$ billions



Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.

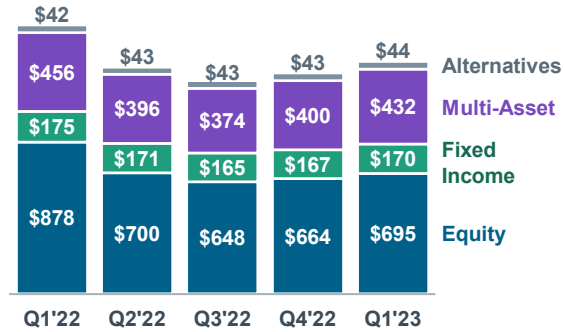
AUM for the period 2008–2020 does not include the acquired fee-based AUM related to the OHA acquisition (\$46.9B) that closed in December 2021. Other acquisition of AUM is detailed in our quarterly releases and 10Qs. Net flows include OHA for 2022 and after. Distribution (net of reinvestments) is included in the market change figure. Q1 2023 net outflows reflect \$0.4B in manager-driven distributions related to our alternative products.

Assets Under Management and Net Flows

U.S. \$ billions

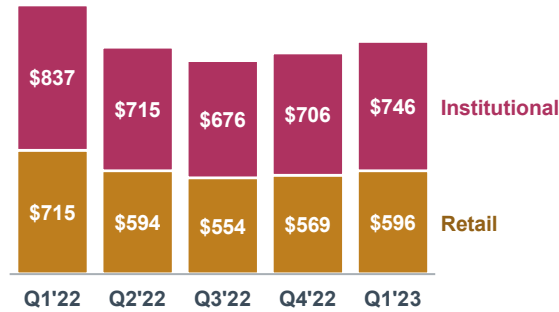
Asset Class

ASSETS UNDER MANAGEMENT



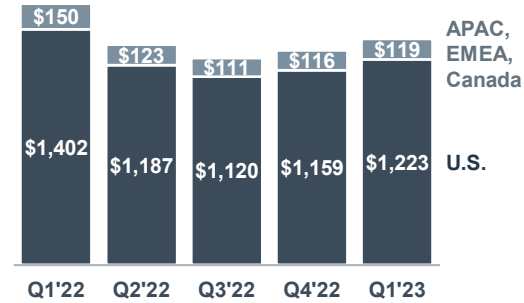
Client Type

ASSETS UNDER MANAGEMENT

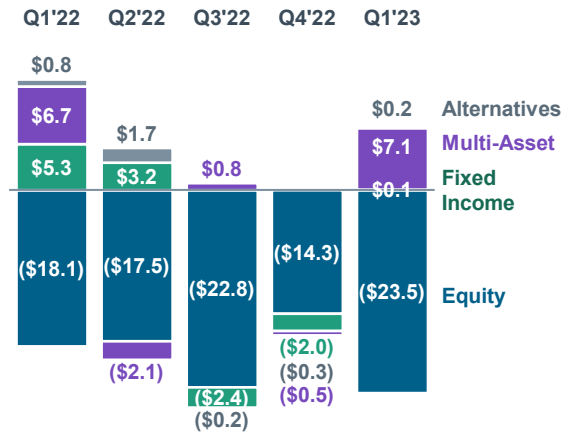


Geography

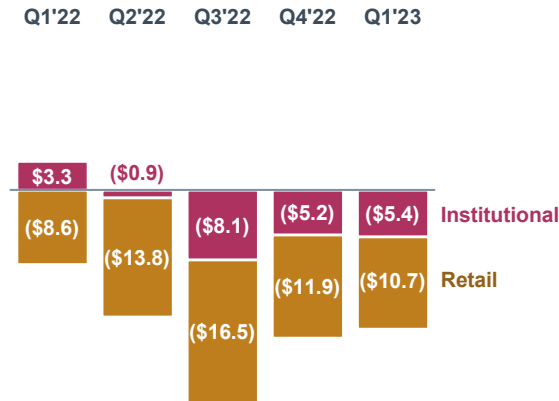
ASSETS UNDER MANAGEMENT



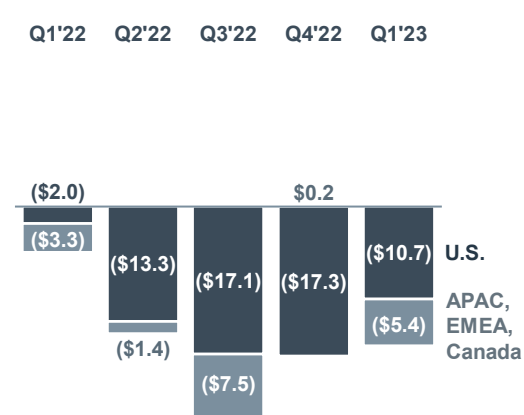
NET FLOWS



NET FLOWS



NET FLOWS



ASSETS UNDER MANAGEMENT

As of March 31, 2023

- Target date retirement AUM of \$360.8B
- U.S. defined contribution AUM of \$579B
- Alternative AUM includes private markets (\$17B), CLOs (\$17B), and liquid strategies (\$10B)

NET FLOWS

Q1 2023

- Outflows largely concentrated in equity strategies and from U.S. intermediary channels
- Target date retirement inflows of \$7.5B
- International fixed income inflows of \$1.3B
- Alternative flows reflect \$0.4B in manager-driven distributions

Firmwide flows by quarter (\$B)

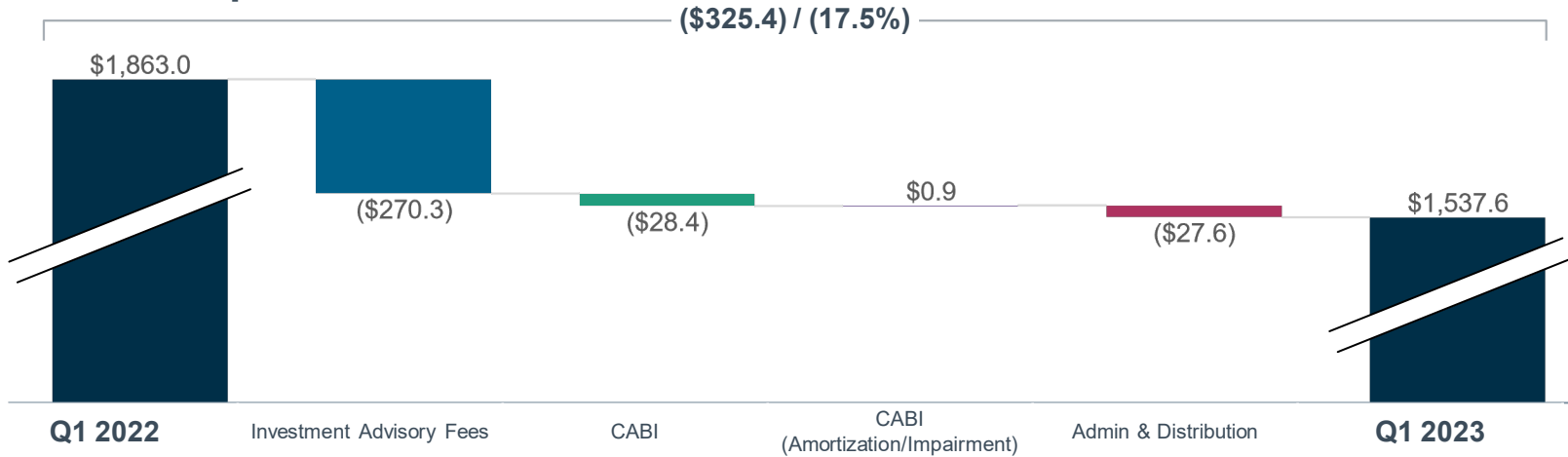
| Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 |
|-------|--------|--------|--------|--------|
| (5.3) | (14.7) | (24.6) | (17.1) | (16.1) |

Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates. Numbers may not add up due to rounding. Institutional includes defined contribution assets, including those through intermediaries and our full-service recordkeeping business. Retail includes our direct-marketed business and financial intermediaries.

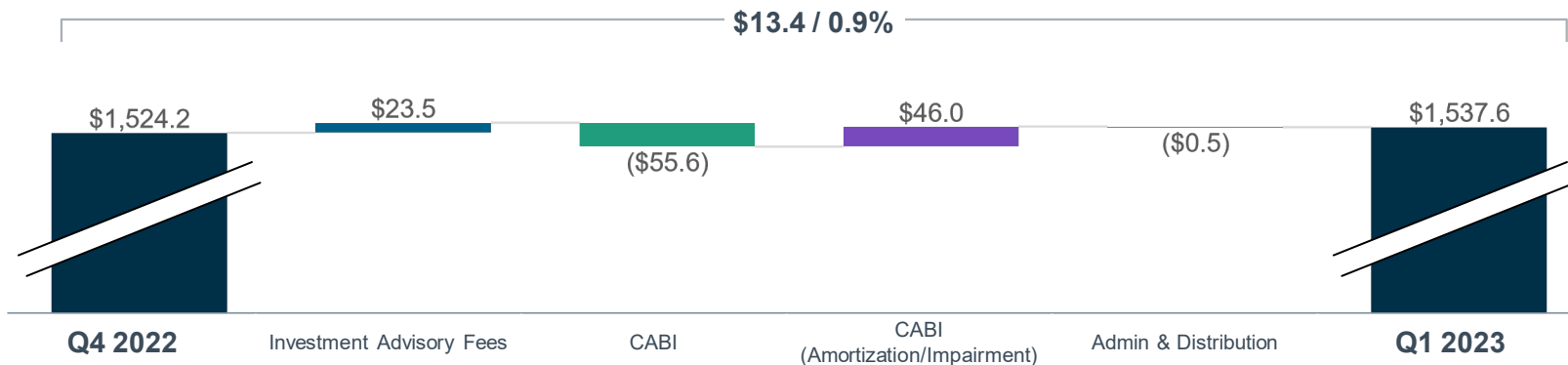
Net Revenues

U.S. \$ millions

Q1 2023 compared to Q1 2022



Q1 2023 compared to Q4 2022



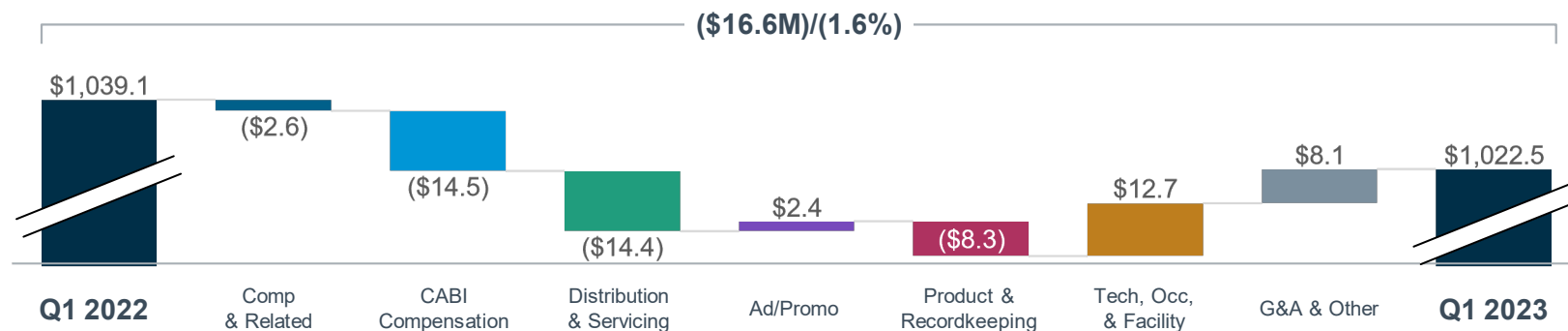
CABI = capital allocation-based income.

- Investment advisory fees represent more than 90% of net revenue in the periods presented
- Q1 2023 investment advisory revenue was \$1,391.8M
- Lower average assets under management in Q1 2023 compared with Q1 2022 primarily drove administrative and distribution revenue lower

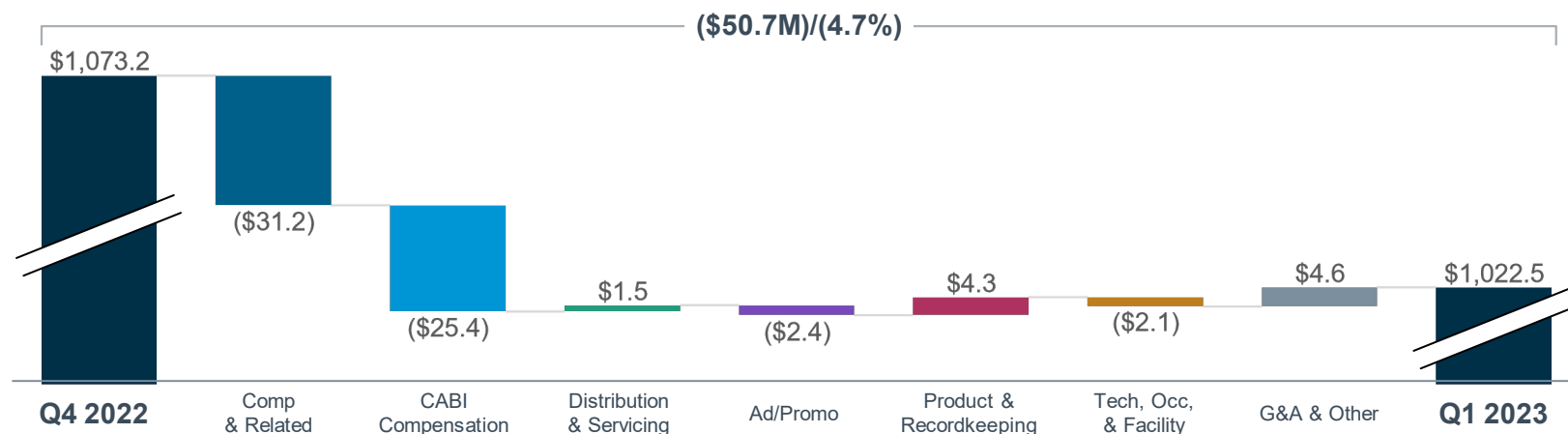
Adjusted Operating Expenses

U.S. \$ millions

Q1 2023 compared to Q1 2022



Q1 2023 compared to Q4 2022



For the reconciliation between GAAP and adjusted (non-GAAP) expenses and EPS, see the current earnings release and/or 10Q filed with the SEC. Capital allocation-based income (CABI) compensation represents the portion of CABI that is passed through to certain associates as compensation.

Basis for Operating Expense Guidance

U.S. \$ millions

| | Q1 2022 | Q1 2023 | Change (%) |
|---|-----------|-----------|------------|
| Adjusted Operating Expenses | \$1,039.1 | \$1,022.5 | (1.6%) |
| Adjusted CABI Compensation | 23.1 | 8.6 | n/m |
| Adjusted Operating Expenses, ex CABI Compensation | \$1,016.0 | \$1,013.9 | (0.2%) |

Operating Income and Net Income

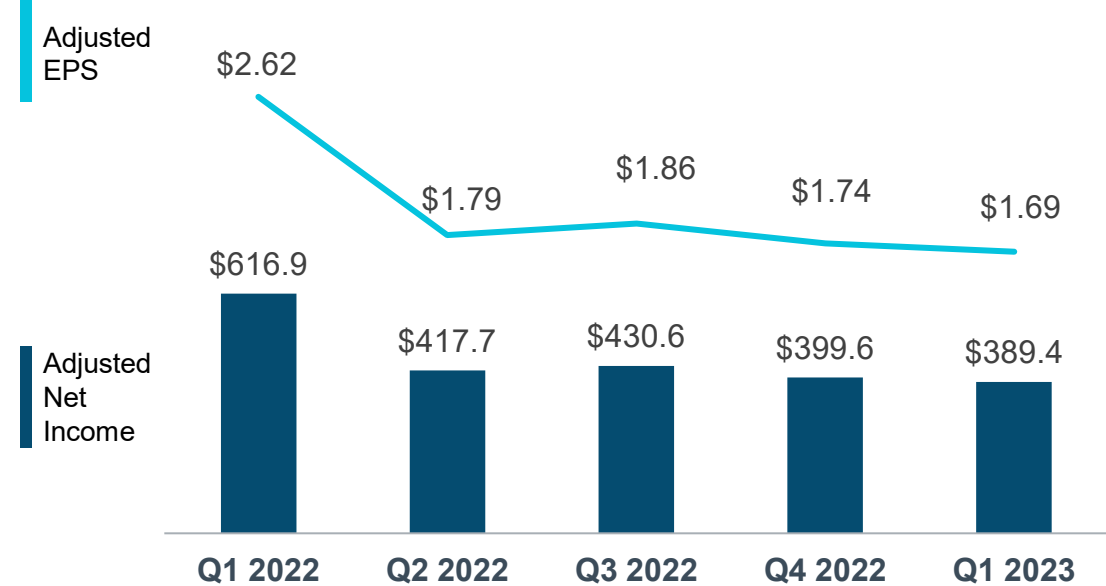
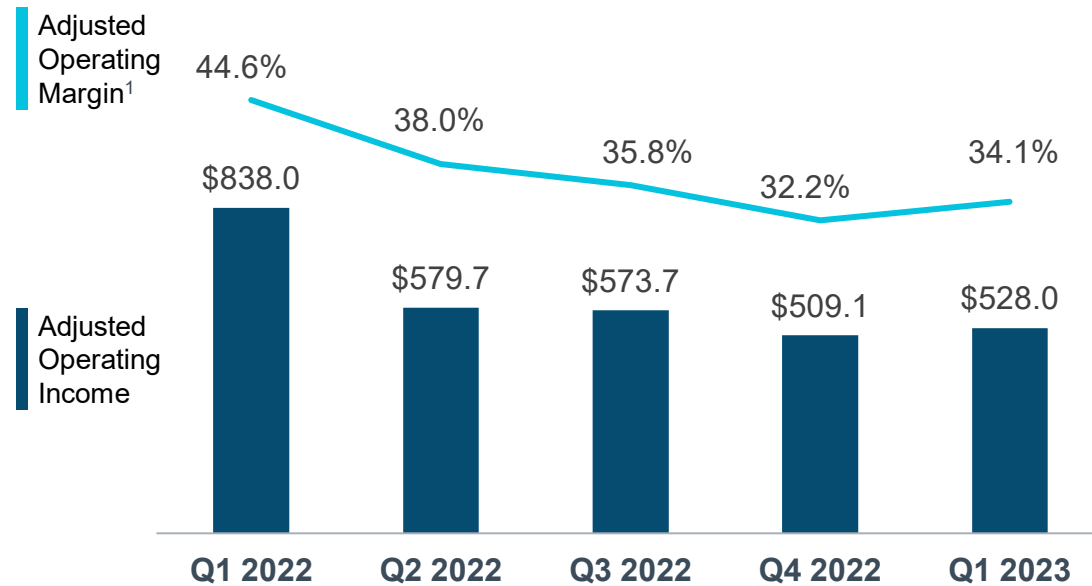
U.S. \$ millions, (except EPS)

Operating Income

| U.S. GAAP | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
|-------------------------------|---------|---------|---------|---------|---------|
| Operating Income | \$877.4 | \$668.6 | \$574.6 | \$253.1 | \$484.2 |
| Operating Margin ¹ | 47.1% | 44.2% | 36.2% | 16.6% | 31.5% |

Net Income

| U.S. GAAP | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
|-------------|---------|---------|---------|---------|---------|
| Net Income | \$567.9 | \$339.6 | \$384.4 | \$266.0 | \$421.5 |
| Diluted EPS | \$2.41 | \$1.46 | \$1.66 | \$1.16 | \$1.83 |



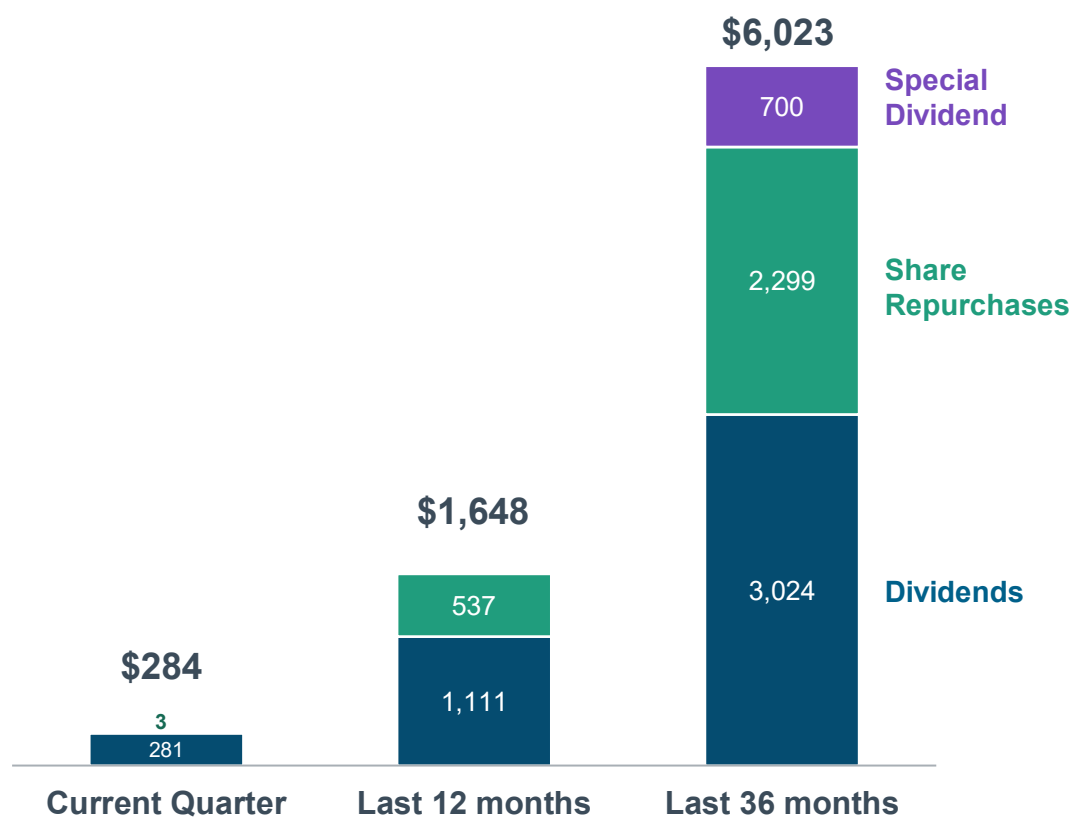
¹Operating margin is equal to operating income divided by net revenues; adjusted operating margin is equal to adjusted operating income divided by adjusted net revenues. See the GAAP to adjusted (non-GAAP) operating income and operating margin reconciliation on page 13. For the reconciliation between GAAP and adjusted (non-GAAP) net income and EPS, see the current earnings release and/or 10Q filed with the SEC.

Capital Management

U.S. \$ millions

Capital Returned to Stockholders

Data through 3/31/23



Cash and Investments*

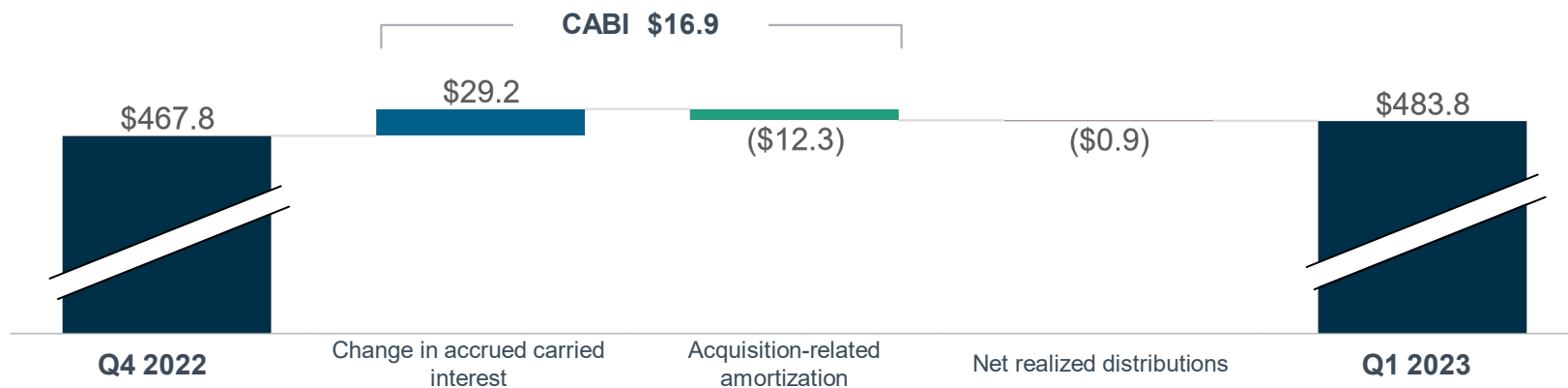
| | Q1 2022 | Q4 2022 | Q1 2023 |
|---|------------------|------------------|------------------|
| Cash and Cash Equivalents | \$1,997.5 | \$1,755.6 | \$2,094.1 |
| Discretionary Investments | 576.1 | 449.7 | 464.3 |
| Cash and Discretionary Investments | \$2,573.6 | \$2,205.3 | \$2,558.4 |
| Redeemable Seed Capital | \$1,096.6 | \$1,120.3 | \$1,146.8 |
| Investments Used to Hedge the Supplemental Savings Plan Liability | \$820.0 | \$760.7 | \$786.7 |

*Cash and investments includes cash and investments in T. Rowe Price products. This display does not include the non-controllable interest of our seed investments, which we normally consolidate due to our ownership.

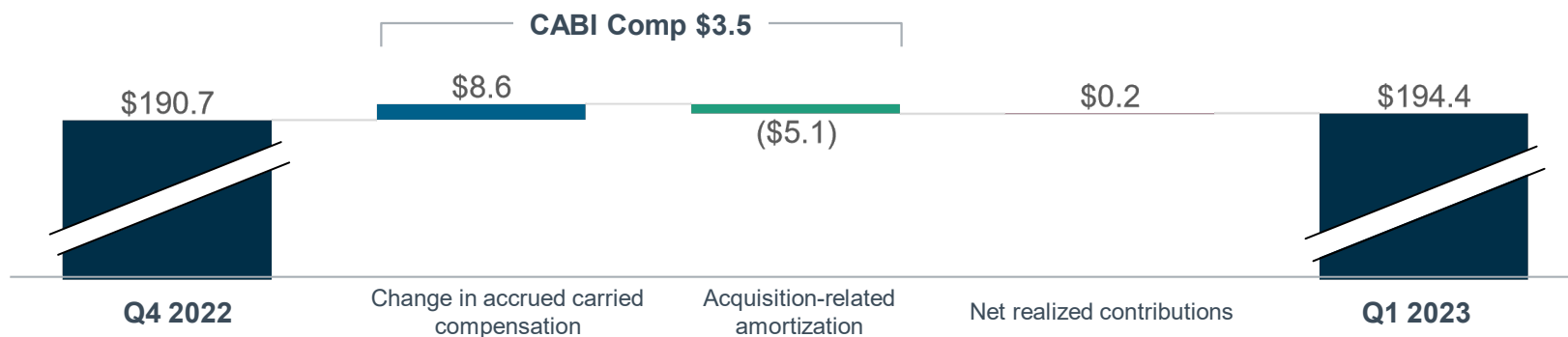
Capital Allocation-Based Income (carried interest)

U.S. \$ millions, unless otherwise noted

Investments in affiliated private investment funds—carried interest



Non-controlling interests (NCI) in consolidated entities



Past performance is not a reliable indicator of future performance.

At the end of each reporting period, accrued carried interest reflects what would be due from each investment fund as if the fair value of the underlying investments were realized as of such date, regardless of whether the amounts have been realized.

The change in accrued carried interest reflects amounts that are (1) realized and distributed by the fund, (2) market-related adjustments that are recognized as capital allocation-based income in the income statement, and (3) acquisition-related amortization. The change in accrued carried interest will fluctuate quarter to quarter.

- As of 3/31/2023, about \$17B of alternative fee-basis assets under management are eligible to earn carried interest
- In general, 50%-60% of accrued carried interest is expected to be retained in operating income with the remainder recognized as compensation expense
- Absolute performance of the following indices are an indicator of changes in accrued carried interest

Q1 2023 returns

| | |
|--|-------|
| ICE Bank of America U.S. High Yield Index: | 3.72% |
| Credit Suisse Leveraged Loan Index: | 3.11% |

Sources: ICE Data Indices, LLC, and CREDIT SUISSE GROUP AG and/or its affiliates. See Additional Information for more information on the sources.



Non-GAAP Reconciliation

Non-GAAP Net Revenues and Operating Income Reconciliation

U.S. \$ millions

| | Q1-22 | Q2-22 | Q3-22 | Q4-22 | Q1-23 |
|---|-----------|-----------|-----------|-----------|-----------|
| Net Revenues, GAAP Basis | \$1,863.0 | \$1,513.0 | \$1,588.2 | \$1,524.2 | \$1,537.6 |
| Non-GAAP Adjustments: | | | | | |
| Consolidated Investment Products | 0.9 | 0.7 | 0.5 | (0.2) | 0.6 |
| Investment and NCI Amortization and Impairments | 13.2 | 13.3 | 13.2 | 58.3 | 12.3 |
| Net Revenues, Non-GAAP Basis | \$1,877.1 | \$1,527.0 | \$1,601.9 | \$1,582.3 | \$1,550.5 |
| Operating Income, GAAP Basis | \$877.4 | \$668.6 | \$574.6 | \$253.1 | \$484.2 |
| Non-GAAP Adjustments: | | | | | |
| Acquisition-Related Adjustments | 9.1 | 2.5 | 22.0 | 217.2 | (2.2) |
| Consolidated Investment Products | 2.5 | 2.0 | 1.8 | 1.9 | 3.5 |
| Supplemental Savings Plan Liability | (51.0) | (93.5) | (24.7) | 36.9 | 42.5 |
| Operating Income, Non-GAAP Basis | \$838.0 | \$579.7 | \$573.7 | \$509.1 | \$528.0 |
| Operating Margin, GAAP Basis ¹ | 47.1% | 44.2% | 36.2% | 16.6% | 31.5% |
| Operating Margin, as Adjusted ¹ | 44.6% | 38.0% | 35.8% | 32.2% | 34.1% |

¹Operating margin is equal to operating income divided by net revenues.



Appendix

Additional Information

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Investment performance overview (slide 4)

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² Source: Morningstar. Primary share class only. Excludes money market mutual funds, funds with an operating history of less than one year, T. Rowe Price passive funds, and T. Rowe Price funds that are clones of other funds. The top chart reflects the percentage of T. Rowe Price funds with 1 year, 3 year, 5 year, and 10 year track record that outperformed the Morningstar category median. The bottom chart reflects the percentage of T. Rowe Price funds AUM that has outperformed for the time periods indicated. Total AUM included for this analysis includes \$310B for 1 year, \$310B for 3 years, \$310B for 5 years, and \$305B for 10 years.

³ Passive Peer Median was created by T. Rowe Price using data from Morningstar. Primary share class only. Excludes money market mutual funds, funds with an operating history of less than one year, funds with fewer than three peers, T. Rowe Price passive funds, and T. Rowe Price funds that are clones of other funds. This analysis compares T. Rowe Price active funds with the applicable universe of passive/index open-end funds and ETFs of peer firms. The top chart reflects the percentage of T. Rowe Price funds with 1 year, 3 year, 5 year, and 10 year track record that outperformed the passive peer universe. The bottom chart reflects the percentage of T. Rowe Price funds AUM that has outperformed for the time periods indicated. Total AUM included for this analysis includes \$295B for 1 year, \$262B for 3 years, \$261B for 5 years, and \$244B for 10 years.

⁴ Composite net returns are calculated using the highest applicable separate account fee schedule. Excludes money market composites. All composites compared to official GIPS composite primary benchmark. The top chart reflects the percentage of T. Rowe Price composites with 1 year, 3 year, 5 year, and 10 year track record that outperformed their benchmarks. The bottom chart reflects the percentage of T. Rowe Price composite AUM that has outperformed for the time periods indicated. Total AUM included for this analysis includes \$1,186B for 1 year, \$1,181B for 3 years, \$1,172B for 5 years, and \$1,133B for 10 years.

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