

## Azimut Holding: 1H 2021 Results

**All-time Net Profit record in the 1H of the year: € 226<sup>(1)</sup> million (+58% compared to the first half of 2020) excluding potential performance fees to be cashed in at year end**

### 2021 Targets (under normal market conditions):

- **FY Net Profit: € 350-500 million (up from the previous € 350 million)**
- **FY Net Inflows: at least € 6 billion excluding the consolidation of Sanctuary Wealth (up from the previous € 4.5 billion)**

**Record Total Assets at € 75.7 billion, of which € 3.5 billion<sup>(2)</sup> in Private Markets**  
**Net inflows in the first half: € 12 billion**

Milan, 29 July 2021

Azimut Holding's (AZM.IM) Board of Directors approved today the 1H 2021 results, highlighting the following:

- **Consolidated Total Revenues** in 1H21 of € 566.5 million (+19% vs. vs. € 476.0 million in 1H20)
- **Consolidated Operating Profit** in 1H21 of € 232.8 million (+27% vs. € 183.2 million in 1H20)
- **Consolidated Net Profit** in 1H21 of € 226.0<sup>(1)</sup> million (+58% vs. € 143,0 million in 1H20)

**Total Managed Assets** at the end of June 2021 were €51.3 billion, and including assets under custody and third parties' funds reached **€ 75.7 billion**. **Net inflows** in the first six months of the year, including Sanctuary Wealth, were approximately **€ 12.0 billion**, and International Business accounted for 37% of Total Group Assets at the end of June. In the Private Markets segment, Azimut reached € 3.5 billion of AUM, also thanks to the latest acquisitions in the US, and confirms the target of at least € 10 billion by the end of 2024.

The **strong Net Profit** achieved in the **first half of the year (€ 226 million)**, allows *-under normal market conditions-* **to increase the targets for FY 2021 Net Profit and Net Inflows** from € 350 million **to € 350-500 million** and from € 4.5 billion to **at least € 6 billion<sup>(3)</sup>** respectively.

Net Financial Position as of June 30, 2021 was positive for € 58 million<sup>(4)</sup> of Net Cash, increasing compared to the € 30.5 million at the end of December 2020. The NFP in the first half includes ca. **€ 136 million ordinary dividends paid in cash** and € 48 million invested in the foreign development and M&A. The NFP also includes payments of ca. € 43 million for policyholders tax advance, stamp duties and mathematical reserves.

Recruitment of financial advisors and private bankers in Italy remained positive: in the first half of 2021 Azimut recorded 96 new hires, bringing the total number of FAs to 1,842.

Gabriele Blei, CEO of Azimut Holding, comments: *"The **first half** of this year, even compared to 2020, marks a **new record**, with growing results in Italy, abroad and in the private markets segment. In these first six months we have accelerated in all divisions, as demonstrated by the total **net inflows** figure that reached **almost € 13 billion** (including recent acquisitions<sup>(2)</sup>) and allowed us to reach ca. **€ 76 billion in Total Assets**, the highest level ever reached by the Group. The weight of **international business** reached 37% of Total Assets, also thanks to the **US acquisitions in the Private Markets** space where as a Group we have **grown significantly** in terms of **AUM from € 0.6 billion in 2019 to € 3.5 billion** today. All of our accomplishments are also transforming into value creation for clients, who benefited from a **net weighted average performance of over +5% since the beginning of the year and +16% in two and a half years.**"*

Pietro Giuliani, Chairman of Azimut Holding, comments: *"These achievements are the result of teamwork, innovation and the ability to pursue a strategy that makes Azimut a truly independent and cutting-edge company. Precisely for these reasons, we have set a new, challenging target of delivering a **FY 2021 Net Profit in the range € 350-500 million** (under normal market conditions), versus the previous target of € 350 million."*

*The Officer in charge of the preparation of Azimut Holding SpA accounting documents, Alessandro Zambotti (CFO), declares according to art.154bis co.2 D.lgs. 58/98, that the financial information herein included, corresponds to the records in the company's books. The reclassified financial statements attached to this press release are not subject to verification by the audit company; the latter, in charge of the limited audit of the Consolidated Half-Year Financial Report, will complete its examination in accordance with the law.*

*Note (1): Excluding potential performance fees to be cashed in at year end. Net Income in the 1H includes the positive effect (approximately € 30 million) of the tax goodwill realignment on the Italian parent company in accordance with Budget Law 2021 Art. 1 Paragraph 83*

*Note (2): includes the recent transactions of Pathlight and Kennedy Lewis which took place in July 2021*

*Note (3): excludes the effect of the consolidation of Sanctuary Wealth*

*Note (4): does not include the effect of IFRS 16 detailed in the table.*

**Azimut** is one of Europe's leading independent asset manager (active since 1989). The parent company Azimut Holding was listed on the Italian stock exchange on 7 July 2004 (AZM.MI) and, among others, is a member of the main Italian index FTSE MIB. The shareholder structure includes over 2,000 managers, employees and financial advisors bound by a shareholders' agreement that controls ca. 21.8% of the company. The remaining is free float. The Group comprises various companies active in the sale, management and distribution of financial and insurance products, with Registered Offices mainly in Italy, Luxembourg, Ireland, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Brazil, Egypt, Singapore, Mexico, Australia, Chile, USA, UAE and Turkey. In Italy, Azimut Capital Management SGR sells and manages Italian mutual funds, Italian alternative investment funds, as well as being active in the discretionary management of individual investment portfolios. Furthermore, Azimut Capital Management SGR, following the demerger by incorporation of Azimut Consulenza SIM, distributes Group and third-party products in Italy via a network of financial advisors while Azimut Libera Impresa focuses on the Alternatives business. Overseas main operations are Azimut Investments (formerly AZ Fund Management, founded in Luxembourg in 1999), which manages the multi strategy funds AZ Fund 1 and AZ Multi Asset and the Irish Azimut Life DAC, which offers life insurance products.

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## CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Data in €/000)	1H 2021	1H 2020	2020
Acquisition fees and commissions	7,529	5,174	10,123
Recurring fees	455,933	378,622	773,510
Variable commissions	27,380	39,886	149,019
Other income	11,756	6,839	19,399
Insurance revenues	63,844	45,499	101,721
<b>Total revenues</b>	<b>566,442</b>	<b>476,020</b>	<b>1,053,771</b>
Commission expense	(200,273)	(175,043)	(356,324)
General overheads/Administrative expenses	(117,307)	(104,623)	(211,717)
Depreciation, amortisation/provisions	(16,037)	(13,134)	(29,067)
<b>Total costs</b>	<b>(333,617)</b>	<b>(292,800)</b>	<b>(597,108)</b>
<b>Operating income</b>	<b>232,826</b>	<b>183,220</b>	<b>456,663</b>
Profits from financial operations	7,674	(5,969)	7,556
Net Non operating costs	(2,182)	(1,408)	(7,761)
Interest expense	(8,388)	(8,554)	(17,106)
<b>Profit Before Taxation</b>	<b>229,929</b>	<b>167,290</b>	<b>439,351</b>
Income taxation	(39,702)	(21,897)	(55,212)
Deferred taxation	38,493	3,238	4,534
<b>Net Profit</b>	<b>228,720</b>	<b>148,631</b>	<b>388,673</b>
Minorities	2,663	5,605	6,983
<b>Consolidated Net Profit</b>	<b>226,057</b>	<b>143,025</b>	<b>381,690</b>

## CONSOLIDATED NET FINANCIAL POSITION

(Data in €/000)	30/06/2021	31/03/2021	31/12/2020
Due to banks	(37,396)	(45,012)	(44,782)
Securities issued	(852,755)	(848,762)	(851,805)
<b>Total debt</b>	<b>(890,151)</b>	<b>(893,774)</b>	<b>(896,587)</b>
Cash and cash equivalents	948,231	1,041,593	927,119
<b>Net Financial Position</b>	<b>58,080</b>	<b>147,819</b>	<b>30,532</b>
Lease Liabilities IFRS16 adoption	(46,324)	(47,253)	(41,560)
<b>Net Financial Position including impact of IFRS 16</b>	<b>11,756</b>	<b>100,566</b>	<b>(11,028)</b>

## CONSOLIDATED INCOME STATEMENT

Data in €/000	30/06/2021	30/06/2020	31/12/2020
Fee and commission income	488,527	414,301	920,557
Fee and commission expense	(184,651)	(153,065)	(319,483)
<b>Net fee and commission income</b>	<b>303,876</b>	<b>261,237</b>	<b>601,074</b>
Dividends and similar income	1,156	0	746
Interest income and similar income	1,582	597	2,479
Interest expense and similar charges	(9,556)	(9,728)	(19,311)
Net trading income (expense)			
Profits (losses) on disposal or repurchase of:	(270)	(420)	(322)
<i>b) financial assets at fair value through other comprehensive income</i>	(270)	(420)	(322)
<i>c) financial liabilities</i>			
Net gains (losses) on financial assets and financial liabilities at FVTPL	6,359	(4,522)	8,860
<i>a) assets and liabilities designated at fair value</i>	6,089	(2,756)	1,806
<i>b) other financial assets compulsorily measured at fair value</i>	270	(1,766)	7,054
Net premiums	4,930	1,386	3,327
Net profits (losses) on financial instruments at fair value through profit or loss	188,919	117,832	286,504
Net profits (losses) on financial instruments at fair value through profit or loss	(6,799)	(718)	(6,316)
Redemptions and claims	(102,565)	(54,832)	(144,057)
<b>Net Margin</b>	<b>387,633</b>	<b>310,832</b>	<b>732,984</b>
Administrative expenses	(139,428)	(124,347)	(252,846)
<i>a) personnel expenses</i>	(66,726)	(54,216)	(114,862)
<i>b) other expenses</i>	(72,702)	(70,131)	(137,984)
Net accruals to the provisions for risks and charges	(8,396)	(4,705)	(10,495)
Net impairment losses/reversal of impairment losses on property and equipment	(5,835)	(5,357)	(11,016)
Net impairment losses/reversal of impairment losses on intangible assets	(9,965)	(7,617)	(16,945)
Other administrative income and expenses	5,096	(1,561)	(1,537)
<b>Operating Costs</b>	<b>(158,528)</b>	<b>(143,587)</b>	<b>(292,839)</b>
Profit (loss) on equity investments	823	45	(794)
<b>Pre-tax profit (loss) from continuing operations</b>	<b>229,929</b>	<b>167,290</b>	<b>439,351</b>
Income tax	(1,209)	(18,659)	(50,678)
<b>Net profit (loss) from continuing operations</b>	<b>228,720</b>	<b>148,631</b>	<b>388,673</b>
Profit (loss) for the period/year attributable to minority interest	2,663	5,605	6,983
<b>Net profit (loss) for the period/year</b>	<b>226,057</b>	<b>143,025</b>	<b>381,690</b>

## CONSOLIDATED BALANCE SHEET

ASSETS (Data in €/000)	30/06/2021	31/12/2020	30/06/2020
Cash and cash equivalents	17	27	19
Financial assets at fair value through profit or loss	7,460,806	6,766,310	6,376,358
c) other financial assets at fair value	7,460,806	6,766,310	6,376,358
Financial assets at fair value through other comprehensive income	12,264	79,141	17,926
Financial assets at amortised cost	386,525	485,865	339,024
Equity investments	98,294	30,541	1,849
Tangible Assets	53,678	48,426	47,547
Intangible Assets	713,514	656,696	635,261
of which:	-	-	-
-Goodwill	601,699	550,115	537,263
Tax assets	21,719	14,833	30,255
a) current	7,108	2,653	7,614
b) prepaid	14,610	12,180	22,641
Other assets	384,645	391,662	381,718
<b>Total Assets</b>	<b>9,131,462</b>	<b>8,473,501</b>	<b>7,829,955</b>

LIABILITIES (Data in €/000)	30/06/2021	31/12/2020	30/06/2020
Financial Liabilities at amortised cost	962,908	955,689	963,230
a) Payables	110,153	103,883	109,819
b) Outstanding securities	852,755	851,805	853,410
Technical reserves where the investment risk is borne by policyholders	189,706	183,070	177,192
Financial liabilities designated at fair value	6,698,323	6,044,627	5,684,899
Tax liabilities	44,261	72,036	68,421
a) current	19,474	10,294	8,307
b) deferred	24,787	61,742	60,113
Other Liabilities	286,679	274,292	210,286
Employees' severance	2,945	3,220	2,897
Provisions for risks and charges	58,664	54,506	48,335
b) other	58,664	54,506	48,335
Capital	32,324	32,324	32,324
Treasury shares (-)	(40,834)	(68,290)	(68,290)
Capital instruments	36,000	36,000	36,000
Share premium reserve	173,987	173,987	173,987
Reserves	428,672	326,338	350,620
Valuation provisions	(3,514)	(16,160)	(10,955)
Profit (Loss) for the period	226,057	381,690	143,025
Equity attributable to minority interests	35,285	20,173	17,986
<b>Total liabilities and shareholders equity</b>	<b>9,131,462</b>	<b>8,473,501</b>	<b>7,829,955</b>

## CONSOLIDATED CASH FLOW STATEMENT

Data in €/000	1H 2021	1H 2020	2020
<b>A. OPERATING ACTIVITIES</b>			
<b>1. Operating activities</b>	<b>250,947</b>	<b>168,857</b>	<b>453,791</b>
- net income for the period (+/-)	226,057	143,025	381,690
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value (-/+)	0	0	0
- gains/losses on hedging activities (-/+)	0	0	0
- value net adjustments for deterioration (+/-)	0	0	0
- value net adjustments on tangible and intangible assets (+/-)	15,800	12,974	27,961
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	8,396	4,705	10,495
- taxes (+)	1,209	8,667	33,644
- value net adjustments on disposing entities net of fiscal effect (+/-)	0	0	0
- other adjustments (+/-)	(515)	(514)	1
<b>2. Cash flow from financial assets</b>	<b>(506,194)</b>	<b>260,026</b>	<b>(230,167)</b>
- financial assets at fair value	(498,206)	252,907	(161,928)
- financial assets mandatorily measured at fair value	(58,078)	(16,737)	(22,831)
- financial assets at FVTOCI	66,053	(1,456)	(62,925)
- financial assets at amortised cost	(16,926)	28,125	17,846
- other assets	963	(2,813)	(329)
<b>3. Cash flow from financial liabilities</b>	<b>646,124</b>	<b>(339,203)</b>	<b>64,689</b>
- financial liabilities at amortised cost	7,734	3,744	(4,310)
- financial liabilities at fair value	653,696	(291,160)	68,568
- technical reserves	6,636	562	6,440
- other liabilities	(21,942)	(52,349)	(6,009)
<b>Total net operating cash flow generated/absorbed</b>	<b>390,877</b>	<b>89,680</b>	<b>288,314</b>
<b>B. INVESTMENT ACTIVITIES</b>			
<b>1. Cash flow generated by</b>	<b>1,156</b>	<b>0</b>	<b>746</b>
- sale of equity investments	0	0	0
- dividends received from subsidiaries	1,156	0	746
- sale of financial assets held to maturity	0	0	0
- sale of tangible assets	0	0	0
- sale of intangible assets	0	0	0
<b>2. Cash flow absorbed by</b>	<b>(146,779)</b>	<b>(12,728)</b>	<b>(79,467)</b>
- acquisition of equity investments	(68,909)	(45)	(29,483)
- acquisition of tangible assets	(11,087)	(4,147)	(10,685)
- acquisition of intangible assets	(15,198)	(5,525)	(24,408)
- purchase of subsidiaries and business units	(51,585)	(3,011)	(14,891)
<b>Total net cash flow generated/absorbed from investment activities</b>	<b>(145,623)</b>	<b>(12,728)</b>	<b>(78,721)</b>
<b>C. FINANCING ACTIVITIES</b>			
- issue/sale of treasury shares	27,456	(44,577)	(44,577)
- issue/sale of capital instruments	0	0	0
- dividends paid and others	(193,993)	(192,276)	(191,656)
- other reserves	(72,717)	2,850	(27,257)
- sale/acquisitions of non-controlling interests	15,112	(5,856)	(3,669)
<b>Total net cash flow generated/absorbed from financing activities</b>	<b>(224,142)</b>	<b>(239,859)</b>	<b>(267,159)</b>
<b>TOTAL NET CASH FLOW GENERATED/ABSORBED IN THE PERIOD</b>	<b>21,112</b>	<b>(162,907)</b>	<b>(57,566)</b>
<b>Reconciliation</b>			
	<b>1H 2021</b>	<b>1H 2020</b>	<b>2020</b>
Opening cash and cash equivalents	927,119	984,685	984,685
Cash flow generated/absorbed during the period	21,112	(162,907)	(57,566)
Closing cash and cash equivalents	948,231	821,778	927,119