

Azimut Holding: 1Q 2021 results

Net Profit: € 97 million (without performance fees), +100% vs 1Q 2020

AGM approved payment of a € 1 dividend per share

Best Results in the Group history for:

- **Recurring fees: € 219 million (+13% vs. 1Q20)**
- **Net Inflows at April YtD: € 10.3 billion (€ 3.4 billion excluding the Sanctuary Wealth consolidation)**
- **Total Assets: € 72.9 billion (+36% vs. April 2020)**

Milan, 13 May 2021

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

- **Consolidated Total Revenues** in 1Q21 equal to € 273.5 million (vs. € 228.0 million in 1Q20)
- **Consolidated Operating Profit** in 1Q21 equal to € 114.0 million (vs. € 75.9 million in 1Q20)
- **Consolidated Net Profit** in 1Q21 equal to € 96.8 million (vs. € 48.5million in 1Q20)

Total Assets at the end of March 2021 reached € 72.3 billion (**€ 72.9 billion at the end of April 2021**), including assets under custody and third parties' funds.

Net Financial Position⁽¹⁾ as of March 31, 2021 was positive for **€ 147.8 million**, improving compared to the € 30.5 million at the end of December 2020.

As a reminder, the AGM approved the distribution of an ordinary dividend per share of €1.00 gross of tax (equivalent to a **yield of 5%** at current prices) to be paid entirely in cash. This was in line with last year when almost the entirety of banks and insurance companies were not able to make any distribution. The payment date is May 26, 2021, with ex-dividend date on May 24, 2021 and record date May 25, 2021.

Recruitment of financial advisors and private bankers in Italy **remained positive**: during the **first four months** of 2021 Azimut and its networks recorded **64 new hires**, bringing the total number of FAs to 1833.

Lastly, based on the declarations provided by the Independent Directors and the information available to the Company, the Board evaluated the independence criteria envisaged by art. 147-ter, paragraph 4 and 148, paragraph 3 of the TUIF and art. 3 of the Corporate Governance Code.

Gabriele Blei, CEO of the Group, comments: *"In the first four months of the year, we saw a significant acceleration of **Net Inflows into managed assets**, reaching **1.8 billion euros** compared to 320 million euros in the same period of 2020. The Group also hit the **2.4 billion euros AUM mark in real economy products**, to be further developed with the launch of new initiatives such as **HighPost Capital** in the US, the new Private Equity fund with **Peninsula** and the **Synthetic Bank project**. The excellent work of our **distribution channels** who are **strongly integrated** with the **Global Asset Management Team**, will allow us to continue - under normal market conditions - our growth path in the coming quarters, offering **new innovative investment solutions** to our client base. Achieving **nearly 100 million euros** of Net Profit in the first quarter **sets a solid base** for the remainder of 2021."*

Pietro Giuliani, Chairman of the Group, adds: *"Although the first quarter Net Profit does not include performance fees accrued and to be accounted for at the end of the year, it is still amongst the best in our history, doubling the result of the same period in 2020. In the first four months, Net Inflows reached **10.3 billion euros**, allowing our Total Assets to exceed **72 billion euros for the first time**. The solid financial results are supported by a **strong growth in recurring fees** -making our growth even more sustainable-, by the variety of products offered and by the quality of inflows, helping to generate a **net weighted average performance to clients of +4.2% YtD versus the Italian asset management industry index at just above +2%**. We started off well in these first months and are **on target** to continue our growth path towards the target of **350 million euro** of Net Profit for FY 2021."*

Note (1): not including the impact of IFRS 16 as detailed in the table below.

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.

Azimut is Italy'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 1,900 managers, employees and financial advisors, bound by a shareholders' agreement that controls c. 21% 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 AZ Fund Management SA (founded in Luxembourg in 1999), which manages the multi strategy funds AZ Fund 1 and AZ Multi Asset and the Irish AZ Life DAC, which offers life insurance products.

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CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Data in €/000)	1Q 2021	1Q 2020	2020
Acquisition fees and commissions	3,690	2,438	10,123
Recurring fees	218,597	193,192	773,510
Variable commissions	10,961	9,519	149,019
Other income	4,112	3,634	19,399
Insurance revenues	36,165	19,221	101,721
Total revenues	273,525	228,003	1,053,771
Commission expense	(95,569)	(92,882)	(356,324)
General overheads/Administrative expenses	(56,247)	(52,691)	(211,717)
Depreciation, amortisation/provisions	(7,724)	(6,548)	(29,067)
Total costs	(159,539)	(152,122)	(597,108)
Operating income	113,987	75,882	456,663
Profits from financial operations	5,944	(14,340)	7,556
Net Non operating costs	(965)	(481)	(7,761)
Interest expense	(4,171)	(4,320)	(17,106)
Profit Before Taxation	114,795	56,741	439,351
Income taxation	(14,525)	(7,304)	(55,212)
Deferred taxation	(1,937)	2,547	4,534
Net Profit	98,333	51,983	388,673
Minorities	1,521	3,470	6,983
Consolidated Net Profit	96,812	48,513	381,690

CONSOLIDATED NET FINANCIAL POSITION

(Data in €/000)	31/03/2021	31/12/2020	31/03/2020
Due to banks	(45,012)	(44,782)	(59,491)
Securities issued	(848,762)	(851,805)	(849,417)
Total debt	(893,774)	(896,587)	(908,908)
Cash and cash equivalents	1,041,593	927,119	1,017,078
Net Financial Position	147,819	30,532	108,170
Lease Liabilities IFRS16 adoption	(47,253)	(41,560)	(42,631)
Net Financial Position including impact of IFRS 16	100,566	(11,028)	65,539

CONSOLIDATED INCOME STATEMENT

Data in €/000	31/03/2021	31/12/2020	31/03/2020
Fee and commission income	230,835	920,557	200,470
Fee and commission expense	(85,654)	(319,483)	(80,243)
Net fee and commission income	145,182	601,074	120,228
Dividends and similar income	1,078	746	0
Interest income and similar income	1,338	2,479	352
Interest expense and similar charges	(4,572)	(19,311)	(4,863)
Net trading income (expense)			
Profits (losses) on disposal or repurchase of:			
<i>b) financial assets at fair value through other comprehensive income</i>	(381)	(322)	35
<i>c) financial liabilities</i>	(381)	(322)	35
Net gains (losses) on financial assets and financial liabilities at FVTPL			
<i>a) assets and liabilities designated at fair value</i>	4,624	8,860	(13,900)
<i>b) other financial assets compulsorily measured at fair value</i>	976	1,806	(1,455)
Net premiums	3,647	7,054	(12,445)
Net profits (losses) on financial instruments at fair value through profit or loss	2,955	3,327	1,240
Net profits (losses) on financial instruments at fair value through profit or loss	101,409	286,504	46,022
Redemptions and claims	(4,864)	(6,316)	12,763
	(53,320)	(144,057)	(30,590)
Net Margin	193,447	732,984	131,287
Administrative expenses	(66,402)	(252,846)	(64,803)
<i>a) personnel expenses</i>	(31,646)	(114,862)	(26,541)
<i>b) other expenses</i>	(34,756)	(137,984)	(38,262)
Net accruals to the provisions for risks and charges	(5,933)	(10,495)	(2,236)
Net impairment losses/reversal of impairment losses on property and equipment	(2,851)	(11,016)	(2,644)
Net impairment losses/reversal of impairment losses on intangible assets	(4,519)	(16,945)	(3,932)
Other administrative income and expenses	1,032	(1,537)	(933)
Operating Costs	(78,673)	(292,839)	(74,547)
Profit (loss) on equity investments	21	(794)	
Pre-tax profit (loss) from continuing operations	114,795	439,351	56,741
Income tax	(16,462)	(50,678)	(4,758)
Net profit (loss) from continuing operations	98,333	388,673	51,983
Profit (loss) for the period/year attributable to ended activities net of tax			
Profit (loss) for the period/year attributable to minority interest	1,521	6,983	3,470
Net profit (loss) for the period/year	96,812	381,690	48,513

CONSOLIDATED BALANCE SHEET

ASSETS (Data in €/000)	31/03/2021	31/12/2020	31/03/2020
Cash and cash equivalents	17	27	16
Financial assets at fair value through profit or loss	7,152,490	6,766,310	5,980,664
c) other financial assets at fair value	7,152,490	6,766,310	5,980,664
Financial assets at fair value through other comprehensive income	70,125	79,141	17,399
Financial assets at amortised cost	527,467	485,865	504,533
Equity investments	69,116	30,541	1,804
Tangible Assets	54,386	48,426	47,663
Intangible Assets	707,284	656,696	632,815
of which:			
-Goodwill	597,997	550,115	532,709
Tax assets	18,453	14,833	36,865
a) current	5,448	2,653	9,026
b) prepaid	13,005	12,180	27,840
Other assets	378,028	391,662	355,957
Total Assets	8,977,366	8,473,501	7,577,717

LIABILITIES (Data in €/000)	31/03/2021	31/12/2020	31/03/2020
Financial Liabilities at amortised cost	964,187	955,689	953,199
a) Payables	115,424	103,883	103,782
b) Outstanding securities	848,763	851,805	849,417
Technical reserves where the investment risk is borne by policyholders	187,480	183,070	163,536
Financial liabilities designated at fair value	6,376,141	6,044,627	5,327,270
Tax liabilities	80,259	72,036	75,697
a) current	16,769	10,294	10,629
b) deferred	63,490	61,742	65,068
Other Liabilities	292,143	274,292	241,400
Employees' severance	3,303	3,220	2,774
Provisions for risks and charges	58,358	54,506	45,851
b) other	58,358	54,506	45,851
Capital	32,324	32,324	32,324
Treasury shares (-)	(68,290)	(68,290)	(68,290)
Capital instruments	36,000	36,000	36,000
Share premium reserve	173,987	173,987	173,987
Reserves	708,607	326,338	546,439
Valuation provisions	1,203	(16,160)	(11,294)
Profit (Loss) for the period	96,812	381,690	48,513
Equity attributable to minority interests	34,852	20,173	10,311
Total liabilities and shareholders equity	8,977,366	8,473,501	7,577,717