

Azimut Holding: 2023 Targets¹ reconfirmed, in particular € 450 million Net Profit 9M 2023 Adjusted Net Profit of € 349 million², an increase of 15% year-on-year

Milan, 9 November 2023

Azimut Holding's (AZM.IM) Board of Directors approved today the consolidated results as of 30 September 2023³, highlighting the following:

- * **Total Revenues** equal to € 965.0 million (vs. € 966.6 million in 9M 2022)
- * **Operating Profit** equal to € 430.8 million (vs. € 413.9 million in 9M 2022)
- * **Adjusted Net Profit²** equal to € 348.9 million (vs. € 302.3 million in 9M 2022)

9M 2023 average **Total Assets grew by 10%** year-on-year and amounted to € 84.0 billion (vs. € 76.5 billion 9M 2022, net of € 6.8 billion related to the deconsolidation of Sanctuary). Total Assets under Management stood at € 57.8 billion and including assets under administration reached **€ 85.7 billion** at the end of October 2023 (+9% since the beginning of the year), with the International Business accounting for 47%. In the **Private Markets** segment, Azimut continued its strong growth trajectory with **AuM at € 7.8 billion** (13x vs. the beginning of 2020) and a platform of **more than 60 products across asset classes** as of 31 October 2023.

Total revenues of Azimut Holding amounted to € 965.0 million in 9M 2023 compared to € 966.6 million in 9M 2022 (or € 914.4 million, net of Sanctuary), despite the deconsolidation of Sanctuary. **Recurring management fees** equaled € 856.4 million in 9M 2023 (vs. € 782.4 million, net of Sanctuary, in 9M 2022 or € 826.0 million), **up 9% year-on-year** due to growth in Total Assets and the introduction of the new pricing as of April 2022. Further drivers were the expansion of the private markets platform in Italy as well as the growth and change in perimeter in Australia. **Insurance revenues** amounted to € 83.6 million in 9M 2023 compared to € 68.4 million in 9M 2022, with the increase driven by growth in the recurring business and higher performance fees (€ 14.0 million in 9M 2023 vs. € 3.2 million in 9M 2022). Nevertheless, total revenues were impacted by a lower contribution of **performance fees** from mutual funds, which amounted to € -4.3 million in 9M 2023 compared to € 34.4 million during the same period last year that was driven by the crystallization of performance fees under the old method ahead of the introduction of the already mentioned new pricing.

Total operating costs decreased by 3% to € 534.2 million (vs. € 552.7 million in 9M 2022 or € 494.3 million, net of Sanctuary). The decrease is explained by the de-consolidation of Sanctuary, partially offset by the change in consolidation perimeter in Australia and Ireland and organic growth of personnel & SG&A costs. **Distribution costs** amounted to € 287.1 million (vs. € 327.5 million in 9M 2022 or € 283.0 million, net of Sanctuary), growing less than revenues year-on-year due to flat network rebates offset by higher severance payments to Italian financial advisors linked to a stabilization of the yield curve. **Personnel & SG&A** increased to € 227.2 million (vs. € 199.1 million in 9M 2022 or € 185.6 million, net of Sanctuary), with the increase almost equally driven by organic growth and the change in perimeter in Australia and Ireland. While the development of these costs was broadly flat in Italy year-on-year, the firm continued its investment into expanding the international business. **D&A and provisions** decreased to € 19.9 million (vs. 26.0 million in 9M 2022), positively impacted by a release of provisions for legal cases and a provision related to guaranteed returns of a pension product that did not materialize in the first half of the year.

¹ Under the assumption of normal market conditions. Azimut also reconfirms its net inflows target of € 6 to 8 billion for the year 2023.

² To better reflect the underlying net profit, 9M 2023 adjusted net profit excludes the €19.4 million one-off charge related to a tax settlement with the Italian Revenue Agency for the tax periods from 2016 to 2021 and the € 11.1 million (9M 2022: € 18.7 million) accounting impact of the implementation of the IFRS 17 standard (insurance contracts).

³ Throughout the press release 9M 2022 figures, where applicable, have been restated for the adoption of IFRS 17.

Operating profit grew by 4% to € 430.8 million (vs. € 413.9 million in 9M 2022 or € 419.9 million, net of Sanctuary). **Operating Profit Margin** in 9M 2023 stands at **45%**, as a result of total revenues increasing more than costs.

As a result of the **accounting change related to the implementation of the IFRS 17** (insurance contracts), Azimut recorded below the operating profit a positive impact of € 11.1 million within the finance income line in 9M 2023. Furthermore, 9M 2022 financial statements have been restated to account for the net positive € 18.7 million IFRS 17 impact.

Income Taxes amounted to € 119.1 million in 9M 2023 compared to € 106.5 million in 9M 2022, including the already announced one-off tax charge of €19.4 million related to the settlement with the Italian Revenue Agency in April 2023⁴.

Adjusted Net Profit amounted to **€ 348.9 million** in 9M 2023 (vs. €302.3 million in 9M 2022), **an increase of 15% year-on-year**.

The **Net Financial Position**⁵ as of 30 September 2023 was positive for **€ 358.9 million**, an increase of € 104.3 million versus the end of June 2023. This compares to €293.1 million at the end of December 2022, after taking into account the € 1.30 cash dividend per share and the dividend related to participating financial instrument in the first half of 2023 for a total amount of € 234 million. In 9M 2023, the Group spent c. €141 million in acquisitions & investments and c. € 64 million for tax advances, tax litigation, stamp duties and actuarial reserves.

Recruitment of financial advisors and private bankers in Italy remained positive: during the **first nine months of 2023** Azimut and its networks recorded **93 new hires**, bringing the total number of FAs to 1,882.

Pietro Giuliani, Chairman of the Group, adds: ***“With less than two months left in the year, I confirm the € 450 million in net income announced at the beginning of 2023 for the current year. Since our IPO, we have been honoring, without exception, our commitments to our shareholders for 20 years at Azimut. Despite many doubting our ability to succeed, we closed the third quarter with a net profit since the beginning of the year of € 349 million: actions speak louder than words!”***

Gabriele Blei, CEO of the Group, comments: ***“We have delivered growth also in 2023, despite a very challenging environment due to volatile markets, geopolitical instability and the consequences of the unwinding of central banks’ monetary policies. This has been achieved by leveraging on Azimut’s core assets: our people, our clients and our unique Azimut spirit. 2024 will mark the conclusion of our medium-term targets and we remain fully focused to reach our € 500 million net profit target by growing our Italian and International franchise as well as to complete the deleveraging of our balance sheet while remunerating our stakeholders.”***

Alessandro Zambotti, CEO and CFO of the Group, adds: ***“The 9M results reflect the strength and advantages of our diversified business. Recurring revenues and ongoing investment for growth delivered strong profitability with a 45% EBIT margin as well as a net profit margin of 55bps, an increase of 7bps year on year. We are also nearing completion of the operational setup phase for the strategic partnership with UniCredit and confirm the beginning of activities the latest from early 2024 onward.”***

⁴ Refer to press release related to 1Q 2023 results, published on 9 May 2023.

⁵ Not including the impact of IFRS 16 as detailed in the table below.

2024 Financial Calendar

7 March 2024	B.o.D.	Approval of draft annual financial statements as of 31/12/2023
24 April 2024	AGM ⁶	Annual financial statements as of 31/12/2023
9 May 2024	B.o.D.	Approval of 1Q interim results as of 31/03/2024 ⁷
1 August 2024	B.o.D.	Approval of 1H results as of 30/06/2024
7 November 2024	B.o.D.	Approval of 3Q interim results as of 30/09/2024 ⁷

The Officer in charge of preparing the corporate accounting documents of Azimut Holding SpA, Alessandro Zambotti (CFO), declares pursuant to Article 154bis co.2 of Legislative Decree 58/98, that the information contained in this press release corresponds to the documentary results, books, and accounting records.

Attached:

- Consolidated reclassified income statement as at 30 September 2023
- Consolidated net financial position as at 30 September 2023
- Consolidated income statement as at 30 September 2023
- Consolidated balance sheet as at 30 September 2023

Azimut is an independent, global group in the asset management, wealth management, investment banking and fintech space, serving private and corporate clients. A public company listed on the Milan Stock Exchange (AZM.IM), the group is a leader in Italy and active in 18 countries around the world, with a focus on emerging markets. The shareholder structure includes over 1,900 managers, employees and financial advisors bound by a shareholders' agreement that controls ca. 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, Australia, Brazil, Chile, China (Hong Kong and Shanghai), Egypt, Ireland, Luxembourg, Mexico, Monaco, Portugal, Singapore, Switzerland, Taiwan, Turkey, UAE and USA. 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 distributes Group and third-party products in Italy via a network of financial advisors while Azimut Libera Impresa focuses on the alternatives business. The main foreign companies are Azimut Investments SA (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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⁶ Subject to confirmation from the B.o.D. on 7 March 2024

⁷ Additional periodical information voluntarily disclosed by Azimut Holding based on Article 82-ter of the Consob regulation.

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

€/000	9M 2023	9M 2022 (*)	3Q 2023	3Q 2022 (*)
Entry commission income	7,896	8,044	2,589	1,765
Recurring fees	856,431	825,979	285,582	273,711
Variable fees	-4,334	34,443	-2,992	-5,530
Other income	21,436	29,753	7,916	7,727
Insurance revenues	83,562	68,372	28,746	20,702
Total Revenues	964,990	966,591	321,841	298,375
Distribution costs	-287,125	-327,478	-91,473	-90,280
Personnel and SG&A	-227,164	-199,144	-77,021	-64,437
Depreciation, amortization & provisions	-19,870	-26,044	-8,103	-8,548
<i>Operating costs</i>	<i>-534,159</i>	<i>-552,667</i>	<i>-176,598</i>	<i>-163,264</i>
Operating Profit	430,831	413,924	145,243	135,111
Finance income	66,634	27,400	14,253	252
Net non-operating costs	-13,460	1,242	-877	-531
Finance expense	-6,473	-8,187	-2,159	-2,151
Profit Before Tax	477,533	434,378	156,460	132,682
Income tax	-119,109	-106,491	-28,319	-25,794
Deferred tax	-221	2,701	-4,260	-3,611
Net Profit	358,202	330,589	123,880	103,276
Minorities	17,632	9,579	6,139	7,326
Consolidated Net Profit	340,570	321,010	117,741	95,950
Consolidated adjusted Net Profit	348,921	302,298	116,941	100,580

(*): Restated for the adoption of IFRS 17

CONSOLIDATED NET FINANCIAL POSITION

€/000	Sep-23	Jun-23	Dec-22
Bank loan	-239	-255	-288
Azimut 19-24 senior bond 1.625%	-503,033	-500,873	-497,916
Total debt	-503,272	-501,128	-498,204
Cash	445,528	373,485	298,142
Cash equivalents	145,961	132,006	107,646
UCI units & government securities	270,675	250,264	385,474
Cash & cash equivalents	862,164	755,755	791,262
Net financial position	358,892	254,627	293,058
Lease Liabilities (IFRS 16)	-38,615	-39,654	-41,464
<i>Net financial position incl. IFRS 16</i>	<i>320,277</i>	<i>214,973</i>	<i>251,594</i>

CONSOLIDATED INCOME STATEMENT

<i>Data in €/000</i>	3Q 2023	3Q 2022*	9M 2023	9M 2022*
Fee and commission income	314,683	296,668	948,648	954,028
Fee and commission expense	-84,383	-84,424	-253,885	-299,994
Net fee and commission income	230,300	212,244	694,763	654,034
Dividends and similar income	5,615	5,527	12,969	8,490
Interest income and similar income	2,089	222	4,969	2,166
Interest expense and similar charges	-2,190	-2,694	-8,159	-11,181
Profits (losses) on disposal or repurchase of:	341	62	447	188
b) financial assets at fair value through other comprehensive income	341	62	447	188
Net gains (losses) on financial assets and financial liabilities at FVTPL	9,124	582	42,785	-5,477
a) assets and liabilities designated at fair value	2,219	19	8,302	307
b) other financial assets compulsorily measured at fair value	6,905	563	34,483	-5,784
Insurance service result	3,676	3,482	9,669	10,900
Net insurance and investment result	5,931	-3,529	23,995	24,238
Net Margin	254,886	215,896	781,438	683,358
Administrative expenses	-91,954	-76,237	-272,726	-241,494
a) personnel expenses	-43,953	-39,465	-133,183	-119,133
b) other expenses	-48,001	-36,772	-139,543	-122,361
Net accruals to the provisions for risks and charges	-546	2,972	2,924	3,531
Net impairment losses/reversal of impairment losses on property and equipment	-3,130	-3,015	-9,518	-9,929
Net impairment losses/reversal of impairment losses on intangible assets	-2,113	-5,341	-25,789	-16,866
Other administrative income and expenses	2,206	1,081	3,928	7,767
Operating Costs	-95,537	-80,540	-301,181	-256,991
Profit (loss) on equity investments	-2,890	-2,674	-2,728	8,012
Pre-tax profit (loss) from continuing operations	156,459	132,682	477,529	434,379
Income tax	-32,579	-29,406	-119,327	-103,790
Net profit (loss) after tax from continuing operations	123,880	103,276	358,202	330,589
Net profit (loss) from continuing operations	123,880	103,276	358,202	330,589
Profit (loss) for the period/year attributable to minority interest	6,139	7,326	17,632	9,579
Net profit (loss) for the period/year	117,741	95,950	340,570	321,010

(*): Restated for the adoption of IFRS 17

CONSOLIDATED BALANCE SHEET

<i>ASSETS</i> (Data in €/000)	30.09.2023	30.06.2023	31.12.2022*	30.09.2022*
Cash and cash equivalents	445,528	373,485	298,142	318,239
Financial assets at fair value through profit or loss	7,415,609	7,380,291	7,319,772	7,106,873
c) other financial assets at fair value	7,415,609	7,380,291	7,319,772	7,106,873
Financial assets at fair value through other comprehensive income	16,294	16,092	15,872	39,866
Financial assets at amortised cost	223,737	201,690	170,272	228,915
Equity investments	299,052	294,233	263,467	288,919
Tangible Assets	45,273	46,519	48,555	48,461
Intangible Assets	856,543	844,248	878,246	803,188
of which:				
-Goodwill	732,874	724,868	743,667	687,984
Tax assets	24,144	24,659	63,553	24,214
a) current	4,584	4,285	40,664	3,113
b) prepaid	19,560	20,374	22,889	21,101
Other assets	436,623	430,423	451,364	417,778
Total Assets	9,762,803	9,611,640	9,509,243	9,276,453
<i>LIABILITIES</i> (Data in €/000)				
Financial Liabilities at amortised cost	557,055	556,239	555,935	586,379
a) Payables	54,022	55,365	58,019	82,495
b) Outstanding securities	503,033	500,874	497,916	503,884
Insurance contract liabilities	1,284,562	1,220,334	1,154,434	1,153,637
Financial liabilities designated at fair value	5,626,827	5,659,429	5,518,376	5,425,426
Tax liabilities	242,620	235,310	213,063	180,399
a) current	154,199	149,847	120,124	91,323
b) deferred	88,421	85,463	92,939	89,076
Other Liabilities	315,171	316,255	382,799	350,629
Employees' severance	4,399	4,154	3,629	3,835
Provisions for risks and charges	62,360	63,496	69,300	64,419
c) other provisions for risks and charges	62,360	63,496	69,300	64,419
Capital	32,324	32,324	32,324	32,324
Treasury shares (-)	-56,485	-56,485	-56,485	-48,463
Capital instruments	36,000	36,000	36,000	36,000
Share premium reserve	173,987	173,987	173,987	173,987
Reserves	1,067,094	1,087,134	931,120	865,941
Valuation provisions	21,895	8,972	14,591	79,258
Profit (Loss) for the period	340,570	222,829	425,374	321,010
Equity attributable to minority interests	54,424	51,662	54,796	51,672
Total liabilities and shareholders equity	9,762,803	9,611,640	9,509,243	9,276,453

CONSOLIDATED CASH FLOW STATEMENT

<i>Data in €/000</i>	3Q 2023	3Q 2022*	9M 2023	9M 2022*
A. OPERATING ACTIVITIES				
1. Operating activities	154,077	130,631	435,513	414,050
- net income for the period (+/-)	117,741	95,950	340,570	321,010
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value (-/+)	0	0	0	0
- gains/losses on hedging activities (-/+)	0	0	0	0
- value net adjustments for deterioration (+/-)	0	0	0	0
- value net adjustments on tangible and intangible assets (+/-)	5,243	8,356	35,307	26,795
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	546	-2,972	-2,924	-3,531
- taxes (+)	32,579	31,329	68,654	70,520
- value net adjustments on disposing entities net of fiscal effect (+/-)	0	0	0	0
- other adjustments (+/-)	-2,032	-2,032	-6,094	-743
2. Cash flow from financial assets	-31,048	-100,774	-177,544	358,078
- financial assets at fair value	-10,879	-41,438	-235,266	364,534
- financial assets mandatorily measured at fair value	-4,031	-24,869	24,525	-24,958
- financial assets at FVTOCI	-199	-16,608	-317	-25,914
- financial assets at amortised cost	-8,092	1,801	-15,150	10,315
- other assets	-7,847	-19,660	48,664	34,101
3. Cash flow from financial liabilities	8,846	78,826	141,307	-860,149
- financial liabilities at amortised cost	2,848	18,398	7,214	-345,561
- financial liabilities at fair value	-32,602	79,461	108,451	-279,013
- insurance contract liabilities	64,228	-4,720	130,128	-145,400
- other liabilities	-25,628	-14,313	-104,486	-90,176
Total net operating cash flow generated/absorbed	131,875	108,684	399,277	-88,021
B. INVESTMENT ACTIVITIES				
1. Cash flow generated by	5,615	5,527	52,883	8,490
- sale of equity investments	0	0	0	0
- dividends received from subsidiaries	5,615	5,527	12,969	8,490
- sale of financial assets held to maturity	0	0	0	0
- sale of tangible assets	0	0	0	0
- sale of intangible assets	0	0	39,914	0
2. Cash flow absorbed by	-26,726	-56,240	-98,790	-139,297
- acquisition of equity investments	-10,434	-19,231	-48,554	-79,922
- acquisition of tangible assets	-1,884	-5,609	-6,236	-6,355
- acquisition of intangible assets	-6,402	-6,339	-14,879	-13,277
- purchase of subsidiaries and business units	-8,006	-25,061	-29,121	-39,743
Total net cash flow generated/absorbed from investment activities	-21,111	-50,713	-45,907	-130,807
C. FINANCING ACTIVITIES				
- issue/sale of treasury shares	0	-7,629	0	-7,629
- issue/sale of capital instruments	0	0	0	0
- dividends paid and others	0	0	-239,228	-272,901
- other reserves	-7,117	19,648	-42,868	107,337
- sale/acquisitions of non-controlling interests	2,762	10,577	-372	-1,265
Total net cash flow generated/absorbed from financing activities	-4,355	22,596	-282,468	-174,458
TOTAL NET CASH FLOW GENERATED/ABSORBED IN THE PERIOD	106,409	80,567	70,902	-393,286
Reconciliation				
Opening cash and cash equivalents	755,755	787,659	791,262	1,261,512
Cash flow generated/absorbed during the period	106,409	80,567	70,902	-393,286
Closing cash and cash equivalents	862,164	868,226	862,164	868,226

(*): Restated for the adoption of IFRS 17