

**Azimut Holding: Quarterly Results as of 31 March 2023, driven by continued recurring revenues growth and increase in Operating Profit**

**1Q 2023 Adjusted Net Profit: € 127 million<sup>1</sup>**

**2023 Targets<sup>2</sup> of 450 million Net Profit and of € 6-8 billion Net Inflows reconfirmed**

**€ 2.8 billion net inflows in the first four months of the year**

**1Q 2023:**

- ★ Consolidated Total Revenues equal to € 326 million (in line with € 327 million in 1Q 2022)
- ★ Consolidated Operating Profit equal to € 150 million (+11% vs. € 135 million in 1Q 2022)
- ★ Consolidated adjusted Net Profit<sup>1</sup> equal to € 127 million (+33% vs. €96 million in 1Q 2022)

**As of 30 April 2023:**

- ★ 2023 YTD inflows € 2.8 billion, of which 70% into managed assets
- ★ Total Assets: € 82.7 billion (+5% since the beginning of the year)
- ★ Private markets assets reach € 6.9 billion (>11x vs. the beginning of 2020)

*Milan, 9 May 2023*

Azimut Holding's (AZM.IM) Board of Directors approved today the results as of 31 March 2023, highlighting the following:

- ★ Consolidated Total Revenues equal to € 326 million (in line with € 327 million in 1Q 2022)
- ★ Consolidated Operating Profit equal to € 150 million (+11% vs. € 135 million in 1Q 2022)
- ★ Consolidated adjusted Net Profit<sup>1</sup> equal to € 127 million (+33% vs. €96 million in 1Q 2022)

**Total revenues of Azimut Holding** amounted to € 326.3 million in 1Q 2023 compared to € 327.2 million in 1Q 2022, despite the deconsolidation of Sanctuary. **Recurring management fees** equaled € 284.8 million in 1Q 2023 (vs. € 257.0 million in 1Q 2022), up 11% year-on-year due to growth in Total Assets and the introduction of the new pricing as of April 2022. **Insurance revenues** amounted to € 29.1 million in 1Q 2023 compared to € 22.7 million in 1Q 2022, with the increase largely explained by performance fees. Nevertheless, total revenues were impacted by a lower contribution of **performance fees** from mutual funds, which amounted to € 4.1 million in 1Q 2023 compared to € 33.6 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 8% to € 176.6 million** (vs. € 191.9 million in 1Q 2022). The decrease was supported by the de-consolidation of Sanctuary, partially offset by the change in consolidation perimeter in Australia and Italy and cost inflation. **Distribution costs** amounted to € 96.6 million (vs. € 120.4 million in 1Q 2022) and benefited from cost savings with certain third parties related to the Italian network. **Personnel & SG&A** increased to € 75.7 million (vs. € 62.4 million in 1Q 2022) impacted by the change of perimeter in Australia and Italy, which led to higher recurring revenues but also higher costs, and by cost inflation. **D&A and provisions** decreased to € 4.4 million (vs. 9.1 million in 1Q 2022), positively impacted by a release of provisions for legal cases that did not materialize.

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<sup>1</sup> To better reflect the underlying net profit, Q1 2023 adjusted net profit excludes the €26.4m one-off charge related to a tax settlement with the Italian Revenue Agency for the tax periods from 2016 to 2021.

<sup>2</sup> Under the assumption of normal market conditions.

**Operating profit grew by 11% to € 149.6 million** (vs. € 135.3 million in 1Q 2022) and the **Operating Profit Margin stands at 46%**, an increase versus the 41% recorded in 1Q 2022 as a result of the total revenues development and lower costs.

**Income Taxes** amounted to € 64.1 million in 1Q 2023 compared to € 32.5 million in 1Q 2022. In April 2023, Azimut **signed a settlement with the Italian Revenue Agency** for tax claims relating to certain intercompany activities for the tax periods from 2016 to 2021. In 2015, Azimut had agreed with the Italian Revenue agency a transfer pricing and cost split methodology between subsidiaries of the Group. Following a customary assessment of the original agreement, both parties agreed on a fine tuning of the model. Therefore, Azimut will incur a total **one-off tax charge of €26.4 million**, including interest, for the period under review.

In summary, **adjusted Net Profit<sup>1</sup>** amounted to € 127.1 million in 1Q 2023 (vs. € 95.5 million in 1Q 2022), an increase of 33% year-on-year.

The **Net Financial Position<sup>3</sup>** as of 31 March 2023 was positive for **€ 349.0 million**, an increase of € 55.9 million compared to €293.1 million the end of December 2022, despite acquisitions & investments for c. € 90 million. The Net Financial Position at the end of March does not include the approved **€ 1.30 cash dividend** per share that will be paid on 24 May 2023.

**Recruitment of financial advisors and private bankers in Italy remained positive:** during the **first three months** of 2023 Azimut and its networks recorded **42 new hires**, bringing the total number of FAs to 1,869.

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.

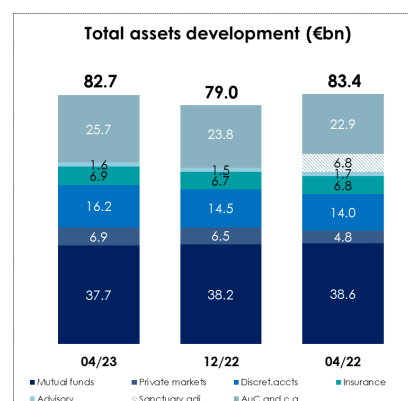
### April 2023 net inflows

The Azimut Group recorded total net inflows of € 270 million in April 2023, thereby raising **€ 2.8 billion since the beginning of the year with 70% of net inflows that went into managed products**. Azimut continued its **strong growth path in private markets** with AuM reaching € 6.9 billion as of April 2023 (>11x compared to early 2020), which equals 12% of assets under management. **Total Assets** under Management stood at € 57.0 billion and including assets under administration reached **€ 82.7 billion** at the end of April, up 5% since the start of the year.

Data in € million	Net Inflows		Assets	
	April	2023	at 30/04/2023	Δ 2023
Funds	-129.3	29.9	44,601.5	-0.1%
of which Private Markets <sup>(1)</sup>	136.2	583.8	6,876.7	6.4%
Individual Managed Portfolios	186.6	1,920.1	16,243.6	12.0%
Azimut Life Insurance	37.7	203.1	6,927.5	2.9%
Advisory <sup>(2)</sup>	18.8	59.5	1,623.9	7.9%
Tail-down Reductions <sup>(3)</sup>			-126.6	
<b>Total Managed Assets<sup>(4)</sup></b>	<b>40.9</b>	<b>2,002.3</b>	<b>57,000.7</b>	<b>3.4%</b>
Assets under Custody/Advisory	229.1	844.3	25,696.6	7.9%
<b>Total Assets</b>	<b>270.0</b>	<b>2,846.6</b>	<b>82,697.3</b>	<b>4.7%</b>

(1) The figure collected for private markets products is accounted for only upon reaching certain closings, therefore the value does not reflect the actual net inflows made during the month. Including Club Deals.

(2) Includes MAX product (fee-based advisory).



<sup>3</sup> Not including the impact of IFRS 16 as detailed in the table below.

(3) Tail Down refers to the pre-agreed return of capital and consequent reduction of AUM on closed-ended funds in the Private Markets segment.

(4) Net of double counting.

Data in € million	Assets	
	at 31/03/2023	in %
Italy	46,937.2	56.5%
Europe (ex. IT) & MENA	5,880.3	7.1%
America	21,989.1	26.5%
Asia-Pacific	8,197.6	9.9%
<b>Total assets</b>	<b>83,004.2</b>	<b>100%</b>

Pietro Giuliani, Chairman of the Group, adds: *“It seems to me that **those who jinxed the inducement ban have been disappointed** and that the reality is that **our more than 400,000 customers around the world, including 240,000 in Italy**, continue to benefit a positive performance on their investments with Azimut (weighted average net performance of **8.4%**<sup>4</sup>) and that we continue to generate significant net profits for our shareholders (**adjusted net profit of € 127 million in 1Q 2023**). We have just announced **the launch our new product on historic cars, the first and only evergreen and sustainable automotive-related fund in the world**, which allows Azimut to expand its offering for high-end clients, while **enhancing and contributing to the strengthening of the supply chain of technicians and know-how** that Italy has always expressed in the automotive sector.”*

Gabriele Blei, CEO of the Group, comments: *“We continued our growth path also during the month of April. While we signed a sizable mandate in Turkey, the managed component was impacted by some institutional funds’ outflows for monetary funds and a negative contribution from Brazil due to the continued credit market turbulences. In the private markets segment, we are pleased to announce a further **closing of more than € 100 million for our Infrastructure for Growth - ESG fund** in April, whose assets now exceed € 630 million, confirming the continued interest of institutional investors for our solutions. Together with other fund closings in the month brings **private markets demand** to more than **€ 580 million since the start of the year**. Q1 results highlighted again the **advantages of our integrated and diversified business model**, capable of producing **50 basis points of net profit margin**. Even though market conditions have now diverged from our base case assumption, we **reconfirm our targets of € 6-8 billion net inflows and € 450 million net profit target**.”*

Alessandro Zambotti, CEO and CFO of the Group, adds: *“Our first quarter 2023 results highlight **quarterly revenue growth as well as cost reduction** resulting in a **best-in-class operating margin of 46%**. Our **diversified recurring revenue stream** is supported by growth in Total Assets and an **increasing share of revenues from private markets, whose contribution is bound to grow as AuM increase and as of today is still not taking into account the potential carried interest that is expected to accrue in the future**. Achieving **€ 127 million of adjusted Net Profit** in the first quarter **sets a solid base for the remainder of 2023 and continues to generate significant cash flows** to provide attractive shareholders remuneration, support our expansion plans and continue our deleveraging path.”*

<sup>4</sup> Reference period from 28 December 2018 to 31 March 2023.

*The Manager 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. Please note that the full disclosure under the new accounting standards (transition to IFRS 17 - insurance contracts), will be made in the semi-annual report 2023, which will be the first financial report published after the first application of the new standards.*

Attached:

- Consolidated reclassified income statement as at 31 March 2023
- Consolidated net financial position as at 31 March 2023
- Consolidated income statement as at 31 March 2023
- Consolidated balance sheet as at 31 March 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.IMI), 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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## CONSOLIDATED RECLASSIFIED INCOME STATEMENT

€/000	1Q 2023	1Q 2022	FY 2022
Entry commission income	2,142	3,472	11,329
Recurring fees	284,752	257,003	1,097,924
Variable fees	4,141	33,656	45,774
Other income	6,173	10,374	38,239
Insurance revenues	29,050	22,709	93,303
<b>Total Revenues</b>	<b>326,259</b>	<b>327,215</b>	<b>1,286,569</b>
Distribution costs	-96,571	-120,406	-420,972
Personnel and SG&A	-75,675	-62,409	-279,721
Depreciation, amortization & provisions	-4,377	-9,106	-39,234
<i>Operating costs</i>	<i>-176,623</i>	<i>-191,920</i>	<i>-739,927</i>
<b>Operating Profit</b>	<b>149,636</b>	<b>135,295</b>	<b>546,643</b>
Finance income	27,963	3,118	7,731
Net non-operating costs	-2,139	-1,099	10,958
Finance expense	-2,156	-3,887	-10,345
<b>Profit Before Tax</b>	<b>173,305</b>	<b>133,426</b>	<b>554,988</b>
Income tax	-64,061	-32,462	-138,119
Deferred tax	-3,515	-3,257	6,043
<b>Net Profit</b>	<b>105,728</b>	<b>97,707</b>	<b>422,911</b>
Minorities	5,035	2,177	20,540
<b>Consolidated Net Profit</b>	<b>100,693</b>	<b>95,530</b>	<b>402,371</b>
<b>Consolidated adjusted Net Profit</b>	<b>127,069</b>	<b>95,530</b>	<b>402,371</b>

## CONSOLIDATED NET FINANCIAL POSITION

€/000	Mar-23	Dec-22	Mar-22
Bank loan	-272	-288	-339
Azimut 19-24 senior bond 1.625%	-498,712	-497,916	-499,571
<b>Total debt</b>	<b>-498,984</b>	<b>-498,204</b>	<b>-499,910</b>
<i>Cash</i>	<i>330,275</i>	<i>298,142</i>	<i>262,534</i>
Cash equivalents	119,876	107,646	149,119
UCI units & government securities	397,800	385,474	596,646
<b>Cash &amp; cash equivalents</b>	<b>847,951</b>	<b>791,262</b>	<b>1,008,299</b>
<b>Net financial position</b>	<b>348,967</b>	<b>293,058</b>	<b>508,389</b>
Lease Liabilities (IFRS 16)	-41,420	-41,464	-46,678
<b>Net financial position incl. IFRS 16</b>	<b>307,547</b>	<b>251,594</b>	<b>461,711</b>

## CONSOLIDATED INCOME STATEMENT

€/000	1Q 2023	1Q 2022	FY 2022
Fee and commission income	288,727	296,745	1,159,245
Fee and commission expense	-83,108	-110,698	-386,091
<b>Net fee and commission income</b>	<b>205,619</b>	<b>186,047</b>	<b>773,154</b>
Dividends and similar income	2,157	1,420	13,398
Interest income and similar income	960	1,043	3,284
Interest expense and similar charges	-3,036	-4,802	-14,214
Profits (losses) on disposal or repurchase of financial assets at fair value through other comprehensive income	55	49	242
Net gains (losses) on financial assets and financial liabilities at fair value	27,326	1,969	536
Result of insurance services	39,422	33,242	134,829
<b>Net Margin</b>	<b>272,503</b>	<b>218,968</b>	<b>911,229</b>
Administrative expenses	-91,279	-78,802	-340,489
Net accruals to the provisions for risks and charges	1,617	-1,268	-10,375
Net impairment losses/reversal of impairment losses on property and equipment	-3,085	-3,342	-13,303
Net impairment losses/reversal of impairment losses on intangible assets	-5,745	-5,836	-22,644
Other administrative income and expenses	656	4,722	11,188
<b>Operating Costs</b>	<b>-97,836</b>	<b>-84,526</b>	<b>-375,623</b>
Profit (loss) on equity investments	-1,363	-1,016	19,381
<b>Pre-tax profit (loss) from continuing operations</b>	<b>173,304</b>	<b>133,426</b>	<b>554,987</b>
Income tax	-67,576	-35,719	-132,076
<b>Net profit (loss) after tax from continuing operations</b>	<b>105,728</b>	<b>97,707</b>	<b>422,911</b>
<b>Net profit (loss) from continuing operations</b>	<b>105,728</b>	<b>97,707</b>	<b>422,911</b>
Profit (loss) for the period/year attributable to minority interest	5,035	2,177	20,540
<b>Net profit (loss) for the period/year</b>	<b>100,693</b>	<b>95,530</b>	<b>402,371</b>

## CONSOLIDATED BALANCE SHEET

<i>ASSETS</i> <i>(Data in €/000)</i>	<b>31.03.2023</b>	<b>31.12.2022</b>	<b>31.03.2022</b>
Cash and cash equivalents	330,275	298,142	262,534
Financial assets at fair value through profit or loss	7,538,579	7,316,612	7,529,043
Financial assets at fair value through other comprehensive income	15,837	15,872	22,675
Financial assets at amortised cost	176,833	170,272	225,644
Equity investments	277,840	263,467	209,853
Tangible Assets	49,230	48,555	53,439
Intangible Assets	873,094	878,246	812,949
Tax assets	29,341	63,553	30,635
Other assets	413,905	451,926	411,848
<b>Total Assets</b>	<b>9,704,934</b>	<b>9,506,645</b>	<b>9,558,620</b>
<i>LIABILITIES</i> <i>(Data in €/000)</i>	<b>31.03.2023</b>	<b>31.12.2022</b>	<b>31.03.2022</b>
Financial Liabilities at amortised cost	552,134	555,935	573,587
Financial liabilities designated at fair value	7,003,164	6,841,495	7,032,990
Tax liabilities	225,226	191,192	177,200
Other Liabilities	330,332	382,893	373,535
Employees' severance	3,378	3,629	3,413
Provisions for risks and charges	65,737	69,300	71,336
Capital	32,324	32,324	32,324
Treasury shares (-)	-56,485	-56,485	-40,834
Capital instruments	36,000	36,000	36,000
Share premium reserve	173,987	173,987	173,987
Reserves	1,202,060	819,208	976,839
Profit (Loss) for the period	100,693	402,371	95,530
Equity attributable to minority interests	36,384	54,796	52,713
<b>Total liabilities and shareholders equity</b>	<b>9,704,934</b>	<b>9,506,645</b>	<b>9,558,620</b>