

**Azimut Holding: 1H 2023 Adjusted Net Profit of € 231 million¹
2023 Targets² of € 450 million Net Profit and of € 6-8 billion Net Inflows reconfirmed**

- ★ **Total Assets as of 30 June 2023: € 85.3 billion (vs. € 81.2 / € 74.4 billion³ as of 30 June 2022)**
- ★ **Private markets platform reaches € 7.1 billion AuM and more than 50 products as of 30 June 2023 (12x vs. the beginning of 2020)**
- ★ **Recurring fees: € 571 million (vs. € 552 million 1H 2022)**

Milan, 27 July 2023

Azimut Holding's (AZM.IM) Board of Directors approved today the consolidated 1H 2023⁴ results, highlighting the following:

- ★ **Total Revenues** equal to € 643 million (vs. € 668 million in 1H 2022)
- ★ **Operating Profit** equal to € 286 million (vs. € 279 million in 1H 2022)
- ★ **Adjusted Net Profit¹** equal to € 231 million (vs. €202 million in 1H 2022)

Total Assets under Management stood at € 57.8 billion and including assets under administration reached **€ 85.3 billion** at the end of June 2023 (vs. **€ 81.2 / € 74.4 billion³ as of 30 June 2022**), with the International Business accounting for 45%. In the **Private Markets** segment, Azimut continued its strong growth trajectory with **AuM at € 7.1 billion (12x vs. the beginning of 2020)** and a platform of **more than 50 products across asset classes** as of 30 June 2023.

Total revenues of Azimut Holding amounted to € 643.1 million in 1H 2023 compared to € 668.2 million in 1H 2022, despite the deconsolidation of Sanctuary. **Recurring management fees** equaled € 570.8 million in 1H 2023 (vs. € 552.3 million in 1H 2022 or € 508.7 million, net of Sanctuary), **up 3% 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 € 54.8 million in 1H 2023 compared to € 47.7 million in 1H 2022, with the increase driven by growth in the recurring business and higher performance fees. Nevertheless, total revenues were impacted by a lower contribution of **performance fees** from mutual funds, which amounted to € -1.3 million in 1H 2023 compared to € 40.0 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 € 357.6 million (vs. € 389.4 million in 1H 2022). The decrease is explained by the de-consolidation of Sanctuary, partially offset by the change in consolidation perimeter in Australia and continued investment into growth abroad. **Distribution costs** amounted to € 195.7 million (vs. € 237.2 million in 1H 2022, or € 192.7 million, net of Sanctuary), developing broadly in line with revenues and as a result of higher social security charges of Italian FAs. **Personnel & SG&A** increased to € 150.1 million (vs. € 134.7 million in 1H 2022). While the development of these cost was broadly flat in Italy year-on-year, the firm continued its investment into expanding the international business, including the change of perimeter in Australia, which led to higher recurring revenues but also higher costs. **D&A and provisions** decreased to € 11.8 million (vs. 17.5 million in 1H 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.

¹ To better reflect the underlying net profit, 1H 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 € 10.9 million (1H 2022: € 23.3 million) accounting impact of the implementation of the IFRS 17 standard (insurance contracts).

² Under the assumption of normal market conditions.

³ Excluding € 6.8 billion related to the deconsolidation of Sanctuary.

⁴ Throughout the press release 1H 2022 figures, where applicable, have been restated for the adoption of IFRS 17.

Operating profit grew by 2% to € 285.6 million (vs. € 278.8 million in 1H 2022). **Operating Profit Margin** in 1H2023 stands **at 44%**, an increase versus the 42% recorded in 1H 2022 as a result of the total revenues development and lower 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 € 10.9 million within the finance income line in 1H 2023. Furthermore, 1H 2022 financial statements have been restated to account for the net positive € 23.3 million IFRS 17 impact. The Group expects an overall limited impact as a result of the new accounting change and no impact on the underlying fundamentals of its insurance business in terms of product offering or commercial strategy.

Income Taxes amounted to € 90.8 million in 1H 2023 compared to € 80.7 million in 1H 2022, including the already announced one-off tax charge of €19.4 million⁵ related to the settlement with the Italian Revenue Agency in April 2023⁶.

Adjusted Net Profit¹ amounted to **€ 231.3 million** in 1H 2023 (vs. €201.7 million in 1H 2022), **an increase of 15% year-on-year**.

The **Net Financial Position**⁷ as of 30 June 2023 was positive for **€ 254.6 million** compared to €293.1 million 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 1H 2023, the Group spent c. €126 million in acquisitions & investments and c. € 39 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 half of 2023** Azimut and its networks recorded **69 new hires**, bringing the total number of FAs to 1,877.

Pietro Giuliani, Chairman of the Group, adds: ***"In 2016 (7 years ago) we launched the first fund in Italy on unlisted markets (Ipo Club by Electa Ventures). Today almost all our competitors are doing it; Azimut meanwhile has 12.3% of assets under management, (more than 7 billion euro) in products of this type. In 2022 we are the largest non-bank operator by amount financed to Italian companies, and in 2023 we are doing the same. Our net profit after 6 months is 231 million euro and our year-end target is to exceed 450 million euro, which we confirm."***

Gabriele Blei, CEO of the Group, comments: ***"The first half of 2023 confirmed the Group's ability to generate positive net inflows with more than 3.7 billion euro and net profits of 231 million euro, thanks to its geographic presence across 18 countries and proprietary distribution channels. The four business segments (Italy, International, Private Markets and Fintech) confirmed or increased last year's financial results. We focus on building diversified portfolios with a high innovative content to generate positive performance in the medium to long term, in contrast to competitors who provide answers to current challenges using traditional instruments such as government bonds or deposits with guaranteed returns. With more than 50 private markets products, a global management team (international business equal to 45% of total assets) and a strong focus on technological innovation, Azimut will continue to be a reference point for private and corporate clients."***

⁵ This compares to the previously communicated € 26.4m one-off charge following a restatement of the Luxembourg tax declarations related to prior years.

⁶ Refer to press release related to 1Q 2023 results, published on 9 May 2023.

⁷ Not including the impact of IFRS 16 as detailed in the table below.

Alessandro Zambotti, CEO and CFO of the Group, adds: **“Against a volatile market backdrop, we are pleased to report a solid set of 1H 2023 results with a 44% EBIT margin and 56bps net profit margin. We have today a transformed P&L which rests mainly on recurring and management fees with additional upside through potential carried interest expected to accrue in the future. Lastly, we have entered into stage two of the already announced strategic partnership with UniCredit and as such confirm the expected start of activities with the high potential in terms of net profit contribution from early 2024 onwards”.**

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.

Attached:

- Consolidated reclassified income statement as at 30 June 2023
- Consolidated net financial position as at 30 June 2023
- Consolidated income statement as at 30 June 2023
- Consolidated balance sheet as at 30 June 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	1H 2023	1H 2022*
Entry commission income	5,307	6,279
Recurring fees	570,849	552,268
Variable fees	-1,343	39,972
Other income	13,519	22,026
Insurance revenues	54,816	47,670
Total Revenues	643,149	668,216
Distribution costs	-195,652	-237,199
Personnel and SG&A	-150,143	-134,708
Depreciation, amortization & provisions	-11,766	-17,497
<i>Operating costs</i>	<i>-357,561</i>	<i>-389,403</i>
Operating Profit	285,588	278,812
Finance income	52,381	27,149
Net non-operating costs	-12,583	1,772
Finance expense	-4,314	-6,036
Profit Before Tax	321,073	301,698
Income tax	-90,790	-80,697
Deferred tax	4,040	6,313
Net Profit	234,322	227,313
Minorities	11,493	2,253
Consolidated Net Profit	222,829	225,060
Consolidated adjusted Net Profit	231,350	201,718

(*): Restated for the adoption of IFRS 17

CONSOLIDATED NET FINANCIAL POSITION

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

CONSOLIDATED INCOME STATEMENT

<i>Data in €/000</i>	1H 2023	1H 2022*
Fee and commission income	633,965	657,360
Fee and commission expense	-169,502	-215,570
Net fee and commission income	464,463	441,790
Dividends and similar income	7,354	2,963
Interest income and similar income	2,880	1,944
Interest expense and similar charges	-5,969	-8,487
Profits (losses) on disposal or repurchase of:	106	126
b) financial assets at fair value through other comprehensive income	106	126
Net gains (losses) on financial assets and financial liabilities at FVTPL	33,661	-6,059
a) assets and liabilities designated at fair value	6,083	288
b) other financial assets compulsorily measured at fair value	27,578	-6,347
Insurance service result	5,993	7,418
Net insurance and investment result	39,422	33,242
Net Margin	526,552	467,462
Administrative expenses	-180,772	-165,257
a) personnel expenses	-89,230	-79,668
b) other expenses	-91,542	-85,589
Net accruals to the provisions for risks and charges	3,470	559
Net impairment losses/reversal of impairment losses on property and equipment	-6,388	-6,914
Net impairment losses/reversal of impairment losses on intangible assets	-23,676	-11,525
Other administrative income and expenses	1,722	6,686
Operating Costs	-205,644	-176,451
Profit (loss) on equity investments	162	10,686
Pre-tax profit (loss) from continuing operations	321,070	301,697
Income tax	-86,748	-74,384
Net profit (loss) after tax from continuing operations	234,322	227,313
Net profit (loss) from continuing operations	234,322	227,313
Profit (loss) for the period/year attributable to minority interest	11,493	2,253
Net profit (loss) for the period/year	222,829	225,060

(*): Restated for the adoption of IFRS 17

CONSOLIDATED BALANCE SHEET

<i>ASSETS</i> <i>(Data in €/000)</i>	30.06.2023	31.12.2022*
Cash and cash equivalents	373,485	298,142
Financial assets at fair value through profit or loss	7,380,291	7,319,772
c) other financial assets at fair value	7,380,291	7,319,772
Financial assets at fair value through other comprehensive income	16,092	15,872
Financial assets at amortised cost	201,690	170,272
Equity investments	294,233	263,467
Tangible Assets	46,519	48,555
Intangible Assets	857,841	878,246
of which:		
-Goodwill	730,400	743,667
Tax assets	24,659	63,553
a) current	4,285	40,664
b) prepaid	20,374	22,889
Other assets	430,423	451,364
Total Assets	9,625,233	9,509,243
<i>LIABILITIES</i> <i>(Data in €/000)</i>	30.06.2023	31.12.2022*
Financial Liabilities at amortised cost	556,239	555,935
a) Payables	55,365	58,019
b) Outstanding securities	500,874	497,916
Insurance contract liabilities	1,220,334	1,154,434
Financial liabilities designated at fair value	5,659,429	5,518,376
Tax liabilities	237,728	213,063
a) current	149,846	120,124
b) deferred	87,882	92,939
Other Liabilities	316,255	382,799
Employees' severance	4,154	3,629
Provisions for risks and charges	63,496	69,300
c) other provisions for risks and charges	63,496	69,300
Capital	32,324	32,324
Treasury shares (-)	-56,485	-56,485
Capital instruments	36,000	36,000
Share premium reserve	173,987	173,987
Reserves	1,098,595	931,120
Valuation provisions	8,686	14,591
Profit (Loss) for the period	222,829	425,374
Equity attributable to minority interests	51,662	54,796
Total liabilities and shareholders equity	9,625,233	9,509,243

(*): Restated for the adoption of IFRS 17

CONSOLIDATED CASH FLOW STATEMENT

<i>Data in €/000</i>	1H 2023	1H 2022*
A. OPERATING ACTIVITIES		
1. Operating activities	281,436	283,419
- net income for the period (+/-)	222,829	225,060
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value (-/+)	0	0
- gains/losses on hedging activities (-/+)	0	0
- value net adjustments for deterioration (+/-)	0	0
- value net adjustments on tangible and intangible assets (+/-)	30,064	18,439
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	-3,470	-559
- taxes (+)	36,075	39,190
- value net adjustments on disposing entities net of fiscal effect (+/-)	0	0
- other adjustments (+/-)	-4,062	1,289
2. Cash flow from financial assets	-146,495	458,852
- financial assets at fair value	-224,387	405,972
- financial assets mandatorily measured at fair value	28,556	-89
- financial assets at FVTOCI	-118	-9,306
- financial assets at amortised cost	-7,058	8,514
- other assets	56,512	53,761
3. Cash flow from financial liabilities	134,879	-938,976
- financial liabilities at amortised cost	4,366	-363,959
- financial liabilities at fair value	141,053	-358,474
- insurance contract liabilities	65,900	-140,680
- other liabilities	-76,440	-75,863
Total net operating cash flow generated/absorbed	269,820	-196,705
B. INVESTMENT ACTIVITIES		
1. Cash flow generated by	24,889	2,963
- sale of equity investments	0	0
- dividends received from subsidiaries	7,354	2,963
- sale of financial assets held to maturity	0	0
- sale of tangible assets	0	0
- sale of intangible assets	17,535	0
2. Cash flow absorbed by	-63,278	-83,057
- acquisition of equity investments	-38,120	-60,691
- acquisition of tangible assets	-4,352	-746
- acquisition of intangible assets	-16,538	-6,938
- purchase of subsidiaries and business units	-4,268	-14,682
Total net cash flow generated/absorbed from investment activities	-38,389	-80,094
C. FINANCING ACTIVITIES		
- issue/sale of treasury shares	0	0
- issue/sale of capital instruments	0	0
- dividends paid and others	-239,228	-272,901
- other reserves	-24,576	87,689
- sale/acquisitions of non-controlling interests	-3,134	-11,842
Total net cash flow generated/absorbed from financing activities	-266,938	-197,054
TOTAL NET CASH FLOW GENERATED/ABSORBED IN THE PERIOD	-35,507	-473,853
Reconciliation		
	1H 2023	1H 2022*
Opening cash and cash equivalents	791,262	1,261,512
Cash flow generated/absorbed during the period	-35,507	-473,853
Closing cash and cash equivalents	755,755	787,659

(*): Restated for the adoption of IFRS 17