

Azimut Holding: 2023 net profit target exceeded and proposed dividend of € 1.40 per share¹ (dividend yield 5.1%)

2023 Results: € 454 million adjusted net profit² (+ 13% year on year) and € 6.9 billion net inflows

Targets confirmed for 2024³

- ★ **Net profit of € 500 million**
- ★ **More than € 7 billion net inflows, also thanks to partnerships**
- ★ **15% in Private Markets AuM**
- ★ **International management net profit of € 150 million**

February 2024 net inflows of € 446 million and Total Assets at € 93.7 billion

Milan, 7 March 2024

Azimut Holding's (AZM.IM) Board of Directors approved today the consolidated results as of 31 December 2023⁴, highlighting the following:

In 2023:

- ★ **Total Revenues** equal to **€ 1,312 million** (vs. € 1,290 million in FY 2022)
- ★ **Operating Profit** equal to **€ 587 million** (vs. € 551 million in FY 2022)
- ★ **Adjusted Net Profit²** equal to **€ 454 million** (vs. € 402 million in FY 2022)

FY 2023 Net inflows & Total Assets

The Azimut Group recorded total **net inflows** of **€ 6.9 billion** in 2023, with € 3.2 billion (46%) stemming from managed products. **Total Assets** amounted to **€ 90.8 billion** as of 31 December 2023 (2022: € 78.9 billion), an increase of 15% year on year and with the **international business accounting for 47% of total assets**. FY 2023 **average Total Assets grew by 10%** year on year and amounted to € 85.0 billion (vs. € 76.9 billion FY 2022, net of € 6.4 billion related to the deconsolidation of Sanctuary).

In the **Private Markets** segment, Azimut continued its strong growth trajectory with **€ 1.5 billion Net Inflows** and **AuM at € 8.1 billion** (14x vs. the beginning of 2020) and a platform of **more than 70 products across asset classes** as of 31 December 2023. Private markets represent **13.3% of total assets under management** today and this puts the Group on track to **achieve the target of at least 15%** by the end of 2024. This target, set in 2019 when this segment represented around 1% of assets, reflects the continued momentum in this space.

FY 2023 Financials

Total revenues of Azimut Holding amounted to € 1,312 million in FY 2023 compared to € 1,290 million in FY 2022 (or € 1,237 million, net of Sanctuary), despite the deconsolidation of Sanctuary. **Recurring management fees** equaled € 1,138 million in FY 2023 (vs. € 1,054 million, net of Sanctuary, in FY 2022 or € 1,098 million), **up 8% 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 € 111 million in FY 2023 compared to € 96 million in FY 2022, with the increase driven by growth in the recurring business and higher performance fees (€ 18 million in FY 2023 vs. € 4 million in FY 2022). Nevertheless, total revenues were impacted by a lower contribution of **performance fees** from mutual funds and individual managed portfolios, which amounted to € 18 million in FY 2023 compared to € 46 million in

¹ Subject to approval by the shareholders' meeting. Dividend yield calculated on share price as of 6 March 2024.

² To better reflect the underlying net profit, anticipated FY 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 € 0.1 million (FY 2022: € 4.1 million) accounting impact of the implementation of the IFRS 17 standard (insurance contracts).

³ Under the assumption of normal market conditions. International adjusted management net profit on an annualized basis.

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

FY 2022 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 2% to € 725 million (vs. € 738 million in FY 2022 or € 680 million, net of Sanctuary). The decrease is explained by the de-consolidation of Sanctuary along with lower D&A and provisions. However, this was partially offset by the change in the consolidation perimeter in Australia and domestically, as well as organic growth of personnel & SG&A costs. **Distribution costs** amounted to € 389 million (vs. € 421 million in FY 2022 or € 376 million, net of Sanctuary), benefitting from lower variable remuneration associated to the Italian network offset by higher severance payments to Italian financial advisors linked to a stabilization of the yield curve and higher variable compensation in select foreign countries due to continued growth. **Personnel & SG&A** increased to € 310 million (vs. € 278 million in FY 2022 or € 264 million, net of Sanctuary), with the increase almost equally driven by organic growth and the change in perimeter in Australia and domestically. While the development of these costs was broadly flat in Italy year-on-year, the Group continued its investment into expanding the international business. **D&A and provisions** decreased to € 25 million (vs. 39 million in FY 2022), positively impacted by a release of a provision for legal cases that closed favorably, and a provision related to guaranteed returns of a pension product that did not materialize.

Operating profit grew by 7% to € 587 million (vs. € 551 million in FY 2022 or € 557 million, net of Sanctuary). **Operating Profit Margin** in FY 2023 stands **at 45%**, as a result of total revenues increasing more than costs.

Income Taxes amounted to € 161 million in FY 2023 compared to € 139 million in FY 2022, including the already announced one-off tax charge of €19 million related to the settlement with the Italian Revenue Agency in April 2023⁵.

Adjusted Net Profit² amounted to **€ 454 million** in FY 2023 (vs. €402 million in FY 2022), **an increase of 13% year on year**.

The **Net Financial Position**⁴ as of 31 December 2023 was positive for **€ 392 million**. This compares to € 293 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 instruments in the first half of 2023 for a total amount of € 234 million. In FY 2023, the Group spent c. €182 million in acquisitions & investments and c. € 126 million for tax advances, tax litigation, stamp duties and actuarial reserves.

Throughout **2023** Azimut and its networks recorded **114 new hires of financial advisors and private bankers** in Italy, bringing the total number of FAs to 1,837 at the end of December.

FY 2023 Dividend

The Board of Directors of Azimut Holding SpA resolved today to propose to the Shareholders' Meeting, which is scheduled to be convened on 24 April 2024, the distribution of a total ordinary **dividend of € 1.40⁷ per share** before withholding taxes (equal to a dividend yield of 5.1%) for the outstanding shares net of treasury shares held by the company. The gross € 1.40 dividend will be paid for € 1.00 in cash and the remainder in treasury shares. The number of shares to be paid as a dividend has been set on the basis of the closing price on 6 March 2024 and is equal to 2,029,823 shares. This number of shares shall not be changed under any circumstances on the ex-dividend date⁸. The dividend payment date is scheduled for 22 May 2024, with ex-dividend date 20 May 2024 and record date 21 May 2024.

⁵ Refer to press release related to 1Q 2023 results, published on 9 May 2023.

⁶ Not including the impact of IFRS 16 as detailed in the table below.

⁷ Subject to approval by the shareholders' meeting. Dividend yield calculated on share price as of 6 March 2024.

⁸ Should the market price of the aforementioned shares at the ex-dividend date be higher or lower than the price on the day preceding the date of the distribution proposal (6 March 2024), there shall be no change in the number of shares allocated (and in the event of a lower price, there shall be no compensation in the form of a cash payment either).

February 2024 Net Inflows

The Azimut Group recorded total **net inflows of € 446 million** in February 2024, about half of which stemmed from managed products and in particular with a strong contribution from various closings of private markets products and club deals. **Total Assets** under Management stood at € 62.5 billion and including assets under administration reached **€ 93.7 billion** at the end of February.

FY 2024 Full-year targets

Based on the robust operational performance achieved to date and the determination to execute on its strategy to drive sustainable growth and deliver shareholder value, the Group confirms its **targets for 2024** estimating, under normal market conditions, a **net profit of € 500 million**, total **net inflows above € 7 billion**, also thanks to partnerships, **15% AuM in private markets**, and an **international management net profit of € 150 million on an annualized basis**.

Pietro Giuliani, Chairman of the Group, points out: “We have exceeded our 2023 **net profit target** and are on track to exceed the **2024 target of € 500 million** as well; for this I **thank all my Azimut colleagues** operating in Italy and the 17 foreign countries where we are present. In the year in which we will repay the **€ 500 million of the last outstanding bond**, we propose to the Shareholders' Meeting to pay a **gross dividend of € 1.40** of which **€ 0.40 in shares**, with the number of shares calculated based on yesterday's closing price. As we are determined, **without changing the Group's strategy in any way**, to enhance the value of the Azimut Holding shares **through one or more extraordinary transactions**, we are convinced that the share portion of the dividend, if retained over time by our shareholders, will be worth more than the € 0.40 per share set today”.

Data in € million	Net Inflows		Assets	
	February	2024	at 29/02/2024	Δ 2024
Funds	257.6	232.7	46,606.9	2.1%
of which Private Markets ⁽¹⁾	128.5	257.1	8,296.6	2.9%
Individual Managed Portfolios	-91.7	-89.5	19,032.0	5.3%
Azimut Life Insurance	-24.5	-43.3	7,176.7	1.4%
Advisory ⁽²⁾	40.8	80.9	2,187.0	10.9%
Tail-down Reductions ⁽³⁾			-65.2	
Total Managed Assets ⁽⁴⁾	227.0	315.3	62,496.7	3.2%
Assets under Custody	219.2	545.0	31,237.3	3.4%
Total Assets	446.1	860.2	93,734.0	3.3%

(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.

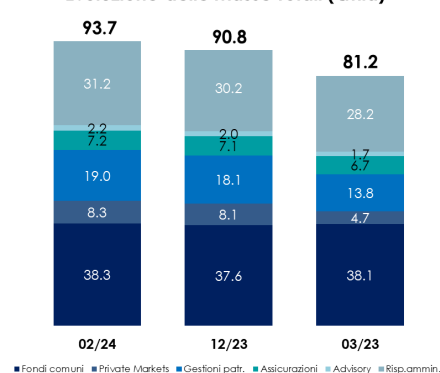
(2) Includes MAX product (fee-based advisory).

(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 29/02/2024	in %
Italy	49,541.1	52.9%
Europe (ex. IT) & MENA	8,170.1	8.7%
America	26,156.3	27.9%
Asia-Pacific	9,866.6	10.5%
Total Assets	93,734.0	100.0%

Evoluzione delle Masse Totali (€mld)



Total Assets development (€bn)

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.

Attached:

- * Consolidated reclassified income statement as of 31 December 2023
- * Consolidated net financial position as of 31 December 2023
- * Consolidated income statement as of 31 December 2023
- * Consolidated balance sheet as of 31 December 2023
- * Consolidated cash flow statement as of 31 December 2023
- * Income statement Azimut Holding as of 31 December 2023
- * Balance sheet Azimut Holding as of 31 December 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 around 2,000 managers, employees and financial advisors bound by a shareholders' agreement that controls ca. 22% 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 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	FY 2023	FY 2022 (*)	4Q 2023	4Q 2022 (*)
Entry commission income	12,162	11,329	4,266	3,285
Recurring fees	1,138,307	1,097,924	281,876	271,945
Variable fees	18,208	45,774	22,543	11,331
Other income	32,358	38,239	10,922	8,486
Insurance revenues	110,981	96,313	27,420	27,941
Total Revenues	1,312,016	1,289,579	347,026	322,988
Distribution costs	-388,954	-420,972	-101,829	-93,494
Personnel and SG&A	-310,196	-278,014	-83,032	-78,870
Depreciation, amortization & provisions	-25,470	-39,234	-5,600	-13,190
<i>Operating costs</i>	<i>-724,620</i>	<i>-738,220</i>	<i>-190,461</i>	<i>-185,553</i>
Operating Profit	587,396	551,359	156,566	137,436
Finance income	60,865	7,731	-5,769	-19,669
Net non-operating costs	-14,565	10,958	-1,105	9,716
Finance expense	-8,633	-10,345	-2,160	-2,158
Profit Before Tax	625,065	559,704	147,532	125,325
Income tax	-160,954	-138,745	-41,845	-32,254
Deferred tax	-6,096	6,043	-5,876	3,342
Net Profit	458,013	427,001	99,811	96,413
Minorities	23,446	20,540	5,814	10,961
Consolidated Net Profit	434,567	406,461	93,997	85,451
Adjusted Net Profit	453,988	402,371	105,697	100,072

(*): Restated for the adoption of IFRS 17

CONSOLIDATED NET FINANCIAL POSITION

€/000	Dic-23	Dic-22
Bank loan	-222	-288
Azimut 19-24 senior bond 1.625%	-496,982	-497,916
Total debt	-497,204	-498,204
Cash	464,571	298,142
Cash equivalents	159,848	107,646
UCI units & government securities	264,997	385,474
Cash & cash equivalents	889,416	791,262
Net financial position	392,212	293,058
Lease Liabilities (IFRS 16)	-40,242	-41,464
<i>Net financial position incl. IFRS 16</i>	<i>351,970</i>	<i>251,594</i>

CONSOLIDATED INCOME STATEMENT

€/000	FY 2023	FY 2022*
Fee and commission income	1,293,143	1,265,624
Fee and commission expense	-343,998	-377,748
Net fee and commission income	949,145	887,876
Dividends and similar income	17,865	13,398
Interest income and similar income	11,929	3,284
Interest expense and similar charges	-12,529	-14,214
Profits (losses) on disposal or repurchase of:	353	242
b) financial assets at fair value through other comprehensive income	353	242
Net gains (losses) on financial assets and financial liabilities at FVTPL	40,189	536
a) assets and liabilities designated at fair value	3,222	13,804
b) other financial assets compulsorily measured at fair value	36,967	-13,268
Insurance service result	28,667	20,093
Net insurance and investment result	-129	3,024
Net Margin	1,035,490	914,239
Administrative expenses	-372,202	-338,783
a) personnel expenses	-187,950	-168,259
b) other expenses	-184,252	-170,524
Net accruals to the provisions for risks and charges	1,861	-10,375
Net impairment losses/reversal of impairment losses on property and equipment	-12,826	-13,303
Net impairment losses/reversal of impairment losses on intangible assets	-31,050	-22,644
Other administrative income and expenses	7,749	11,188
Operating Costs	-406,468	-373,917
Profit (loss) on equity investments	-3,961	19,381
Pre-tax profit (loss) from continuing operations	625,061	559,703
Income tax	-167,048	-132,702
Net profit (loss) after tax from continuing operations	458,013	427,001
Net profit (loss) from continuing operations	458,013	427,001
Profit (loss) for the period/year attributable to minority interest	23,446	20,540
Net profit (loss) for the period/year	434,567	406,461
Earnings per share / Euro	3.14	2.92
Diluted earnings per share / Euro	3.14	2.92

(*): Restated for the adoption of IFRS 17

CONSOLIDATED BALANCE SHEET

<i>ASSETS</i> (€/000)	31.12.2023	31.12.2022*
Cash and cash equivalents	464,571	298,142
Financial assets at fair value through profit or loss	7,544,967	7,319,828
c) other financial assets at fair value	7,544,967	7,319,828
Financial assets at fair value through other comprehensive income	15,897	15,872
Financial assets at amortized cost	259,388	170,272
Equity investments	280,971	263,467
Insurance contract assets	5,634	5,278
Reinsurance contract assets	5,634	5,278
Tangible Assets	45,880	48,555
Intangible Assets	892,743	878,246
of which:		
-Goodwill	749,832	743,667
Tax assets	52,061	63,553
a) current	32,655	40,664
b) prepaid	19,406	22,889
Other assets	420,075	451,364
Total Assets	9,982,187	9,514,577
<i>LIABILITIES</i> (€/000)	31.12.2023	31.12.2022*
Financial Liabilities at amortized cost	553,901	555,935
a) Payables	56,919	58,019
b) Outstanding securities	496,982	497,916
Insurance contract liabilities	1,505,259	1,311,911
Financial liabilities designated at fair value	5,679,679	5,523,654
Tax liabilities	219,667	195,123
a) current	142,731	120,124
b) deferred	76,936	74,999
Other Liabilities	348,237	382,799
Employees' severance	4,328	3,629
Provisions for risks and charges	61,813	69,300
c) other provisions for risks and charges	61,813	69,300
Capital	32,324	32,324
Treasury shares (-)	-55,069	-56,485
Capital instruments	36,000	36,000
Share premium reserve	173,987	173,987
Reserves	938,695	810,552
Valuation provisions	-9,940	14,591
Profit (Loss) for the period	434,567	406,461
Equity attributable to minority interests	58,739	54,796
Total liabilities and shareholders' equity	9,982,187	9,514,577

(*): Restated for the adoption of IFRS 17

CONSOLIDATED CASH FLOW STATEMENT

€/000	FY 2023	FY 2022*
A. OPERATING ACTIVITIES		
1. Operating activities	531,587	477,428
- net income for the period (+/-)	434,567	406,461
- value net adjustments on tangible and intangible assets (+/-)	43,876	35,947
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	-1,861	10,375
- taxes (+)	55,005	19,294
- other adjustments (+/-)	0	5,351
2. Cash flow from financial assets	-349,990	94,987
- financial assets at fair value	-339,022	189,983
- insurance assets	-356	-5,278
- financial assets mandatorily measured at fair value	-6,181	-59,409
- financial assets at FVTOCI	-438	-2,023
- financial assets at amortised cost	-36,914	8,297
- other assets	32,921	-36,583
3. Cash flow from financial liabilities	287,249	-673,744
- financial liabilities at amortised cost	-2,034	-382,099
- financial liabilities at fair value	156,025	-180,785
- insurance contract liabilities	193,348	-123,505
- other liabilities	-60,090	12,645
Total net operating cash flow generated/absorbed	468,846	-101,329
B. INVESTMENT ACTIVITIES		
1. Cash flow generated by	45,019	13,398
- dividends received from subsidiaries	17,865	13,398
- sale of intangible assets	27,154	0
2. Cash flow absorbed by	-118,221	-203,057
- acquisition of equity investments	-35,369	-59,378
- acquisition of tangible assets	-10,151	-9,823
- acquisition of intangible assets	-39,382	-38,430
- purchase of subsidiaries and business units	-33,319	-95,426
Total net cash flow generated/absorbed from investment activities	-73,202	-189,659
C. FINANCING ACTIVITIES		
- issue/sale of treasury shares	0	-15,651
- dividends paid and others	-239,228	-272,901
- other reserves	-62,205	107,431
- sale/acquisitions of non-controlling interests	3,943	1,859
Total net cash flow generated/absorbed from financing activities	-297,490	-179,262
TOTAL NET CASH FLOW GENERATED/ABSORBED IN THE PERIOD	98,154	-470,250
Reconciliation		
	2023	2022*
Opening cash and cash equivalents	791,262	1,261,512
Cash flow generated/absorbed during the period	98,154	-470,250
Closing cash and cash equivalents	889,416	791,262

(*): Restated for the adoption of IFRS 17

INCOME STATEMENT AZIMUT HOLDING

€/000	FY 2023	FY 2022
Commission income	2,000,000	2,000,000
Net Commissions	2,000,000	2,000,000
Dividends and Equivalents	387,600,755	429,151,367
Interest income and equivalents	1,195,020	102,620
Interest expenses and equivalents	-17,270,386	-12,368,357
Profit/losses from the sale of:	13,523,346	-16,583,657
b) financial assets	13,523,346	-16,583,657
Net Margin	387,048,735	402,301,973
Administrative expenses	-11,102,801	-12,182,971
a) personnel expenses	-5,913,100	-5,847,210
b) other expenses	-5,189,701	-6,335,761
Value net adjustments on tangible assets	-295,383	-278,222
Value net adjustments on intangible assets	-405,499	-801,437
Other administrative income and expenses	1,169,446	1,125,190
Operating costs	-10,634,237	-12,137,440
Profit (Loss) before tax	376,414,498	390,164,533
Income tax	-12,328,949	-5,768,479
Net profit (Loss)	364,085,549	384,396,054
Consolidated net profit (loss)	364,085,549	384,396,054

BALANCE SHEET AZIMUT HOLDING SPA

<i>ASSETS</i> (€)	31.12.2023	31.12.2022
Cash and cash equivalents	59,585,584	17,147,486
Financial assets available at fair value	170,353,445	291,096,581
c) other financial assets at fair value	170,353,445	291,096,581
Financial assets at amortized cost	464,712	337,321
Equity investments	1,279,735,087	1,224,735,087
Tangible Assets	1,057,354	1,347,337
Intangible Assets	185,217,787	185,574,485
of which:		
-Goodwill	149,829,432	149,829,432
Tax assets	2,946,834	21,826,371
a) current	2,608,893	21,649,321
b) prepaid	337,941	177,050
Other assets	11,835,864	8,019,345
Total Assets	1,711,196,667	1,750,084,013
<i>LIABILITIES</i> (€)	31.12.2023	31.12.2022
Financial Liabilities at amortized cost	620,243,610	774,994,964
a) Payables	120,310,245	275,569,737
b) Outstanding securities	499,933,365	499,425,227
Tax liabilities	40,147,149	39,774,204
a) current	0	352,660
b) deferred	40,147,149	39,421,544
Other Liabilities	19,644,525	26,009,662
Employees' severance	349,759	313,118
Capital	32,324,092	32,324,092
Treasury shares (-)	-55,069,326	-56,485,383
Capital instruments	36,000,000	36,000,000
Share premium reserve	173,986,915	173,986,915
Reserves	479,366,360	338,634,062
Valuation provisions	118,034	136,325
Net Profit (loss) for the period	364,085,549	384,396,054
Total Liabilities and net shareholders' equity	1,711,196,667	1,750,084,013