



GRUPPO AZIMUT  
**AZIMUT**  
LA DIREZIONE PER INVESTIRE

# Azimut Group

**9M 2023 Results**

9 November 2023



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# 9M 2023: recurring revenues drive EBIT growth, with 45% EBIT margin



**€ 5.0bn**  
Net inflows



**€ 965m**  
Total Revenues

**€ 431m**  
EBIT



**€ 349m**  
Adj. Net Profit\*



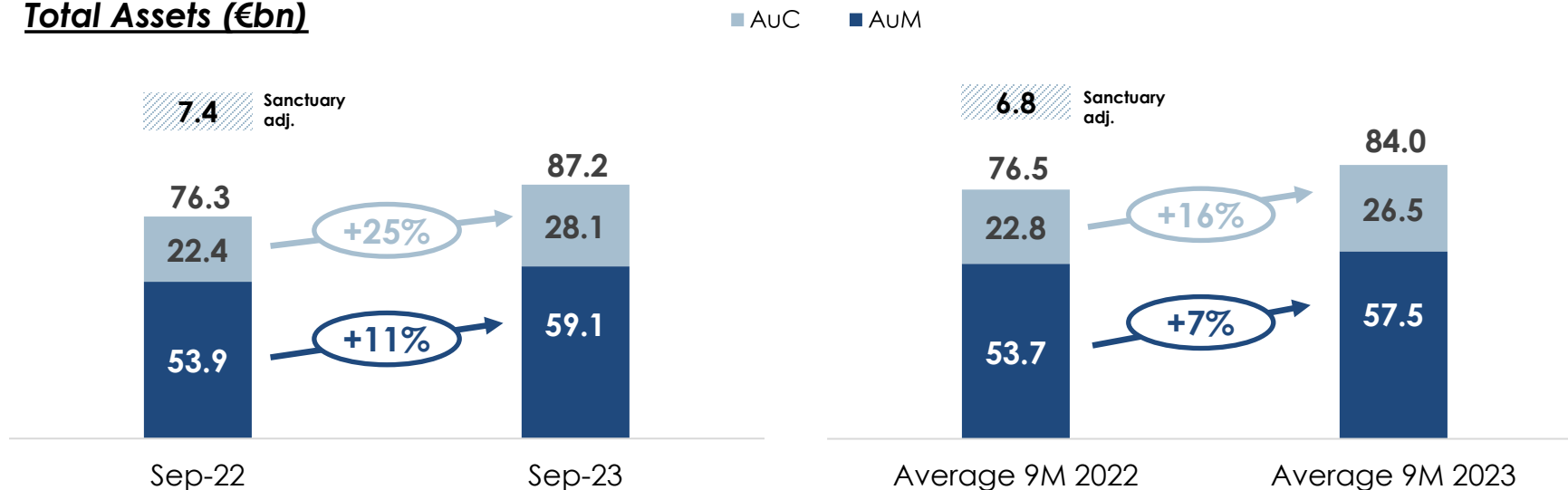
Source: Company data. Note (\*): to better reflect the underlying net profit, the calculation excludes the €-19.4m one-off charge related to the tax settlement with Italian Revenue Agency and the € 11.1m accounting impact due to the implementation of IFRS 17 (insurance contracts).

# 9M 2023: scale and diversification continue to drive growth

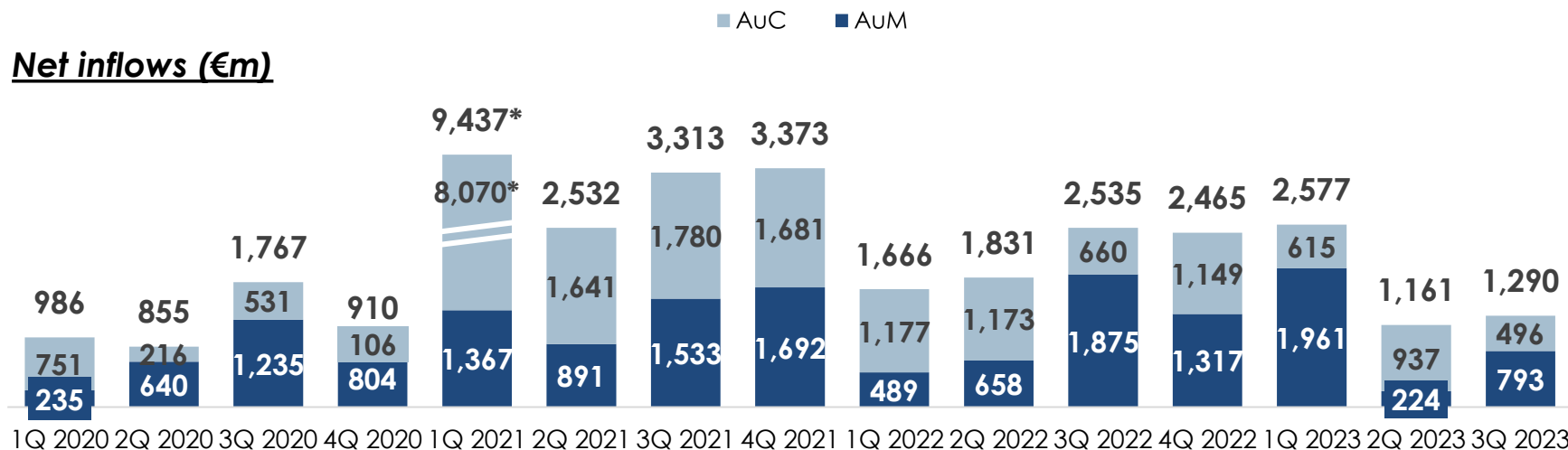


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## Total Assets (€bn)



## Net inflows (€m)



Source: Company data. Average AuM & AuC calculated on a monthly basis. Due to rounding, totals may not correspond with the sum of the separate figures. Note (\*): Includes consolidation of Sanctuary.

# 9M 2023: Net inflows by product and region



€m

Non-internally managed / custody inflows

Inflows into private markets

Managed inflows

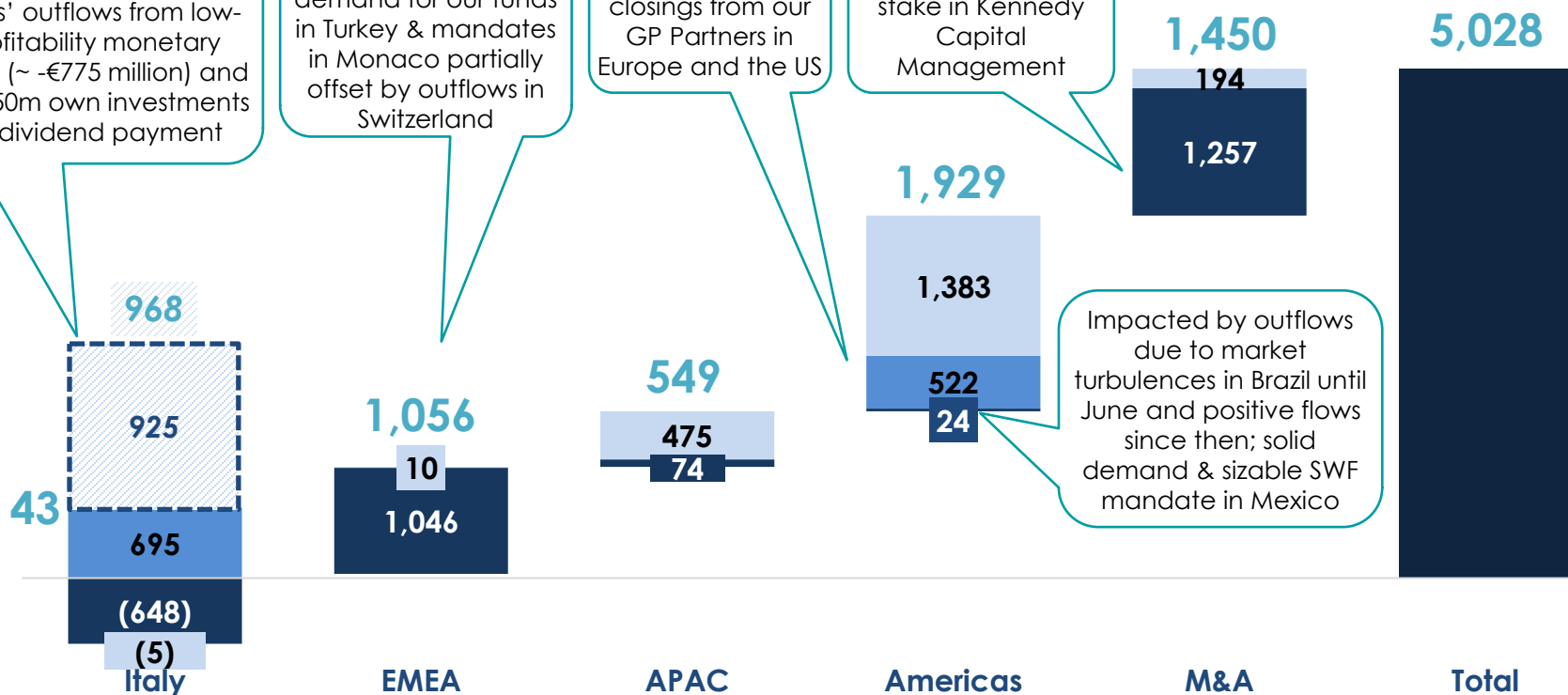
Divestment by institutional funds' outflows from low-profitability monetary funds (~ -€775 million) and ~ -€150m own investments for dividend payment

Driven by strong demand for our funds in Turkey & mandates in Monaco partially offset by outflows in Switzerland

Intermediate fund closings from our GP Partners in Europe and the US

Acquisition of 35% stake in Kennedy Capital Management

Impacted by outflows due to market turbulences in Brazil until June and positive flows since then; solid demand & sizable SWF mandate in Mexico



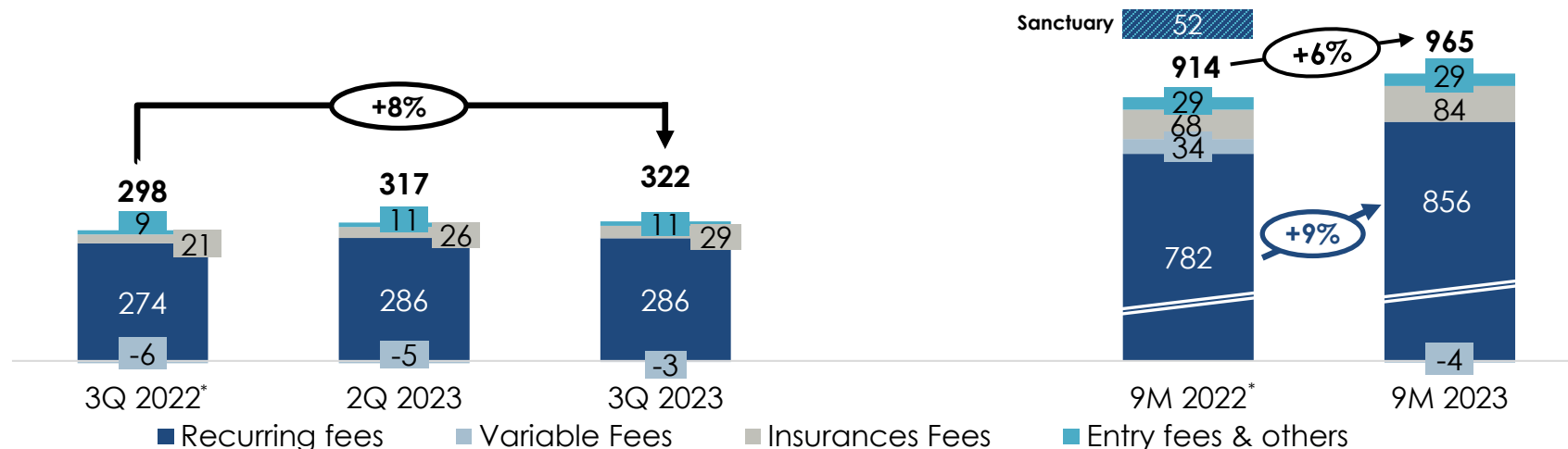
Source: Company data.

Note: Due to rounding, totals may not correspond with the sum of the separate figures.



## Robust growth in recurring fees year-on-year

### Total Revenues Breakdown (€m)

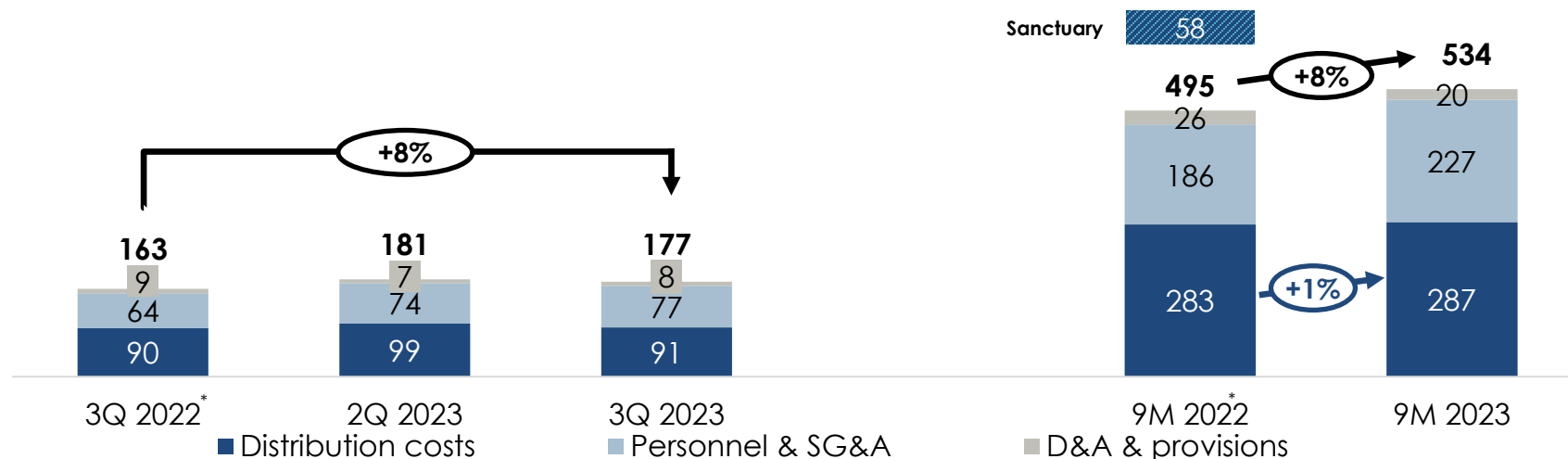


### 9M 2023 highlights

- ★ Solid growth in **recurring fees** (+9%) y-o-y, driven by:
  - ★ growth in **Total Assets** / **expansion of private markets** platform in Italy / growth & change in perimeter in **Australia**
- ★ **Performance fees** driven by:
  - ★ Negative fulcrum partially offset by **positive international business** (Turkey, Brazil & others)
- ★ **Insurance fees** driven by:
  - ★ Growth in **recurring revenues**
  - ★ **€ 5m performance fees** in 3Q 2023 (€ 14m in 9M 2023 vs. € 3m in 9M 2022)
- ★ Growing contribution from **international business** (+13% from € 144m, net of Sanctuary, to € 192m), despite lower performance fees

## Disciplined cost control on a same perimeter basis

### Total Costs Breakdown (€m)



### 9M 2023 highlights

#### \* Distribution costs:

- \* Grew by 1% (net of Sanctuary) y-o-y as a result of flat network rebates offset by higher severance payments to Italian FAs linked to stable yield curve

#### \* Personnel & SG&A:

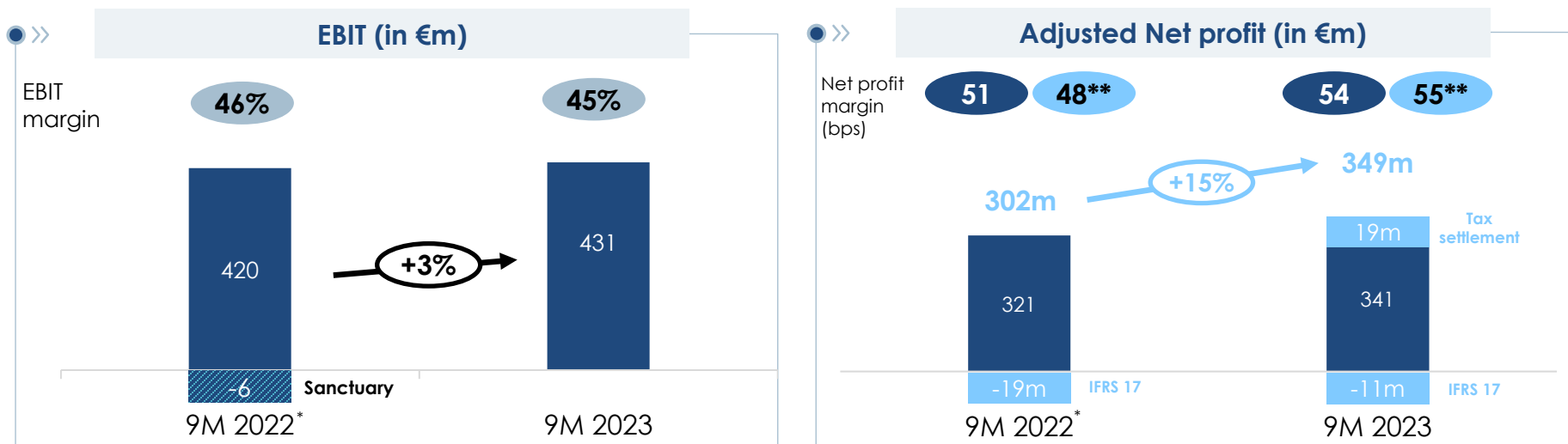
- \* Y-o-y growth almost equally driven by organic growth (€ 21m) & change in perimeter (€ 20m) in Australia and Ireland
- \* SG&A developed broadly flat in Italy y-o-y vs. continued investment into growth abroad

- \* **D&A & provisions** positively impacted by a release of provisions for legal cases and on guaranteed returns on a pension product which did not materialize in 1H 2023





## Continued investment for growth, while maintaining among best-in-class profitability



### 9M 2023 highlights

- ★ As a result of revenues and costs development, **EBIT** grew by 3% to € 431 million,
- ★ The Group maintains strong profitability, with an essentially flat **EBIT margin at 45%**
- ★ Net profit of €341m, or **adj. net profit of € 349m**, excluding one-off tax impact and IFRS 17 impact
- ★ **Adj. net profit margin** at 55bps, an increase of 7bps y-o-y, despite a volatile market backdrop



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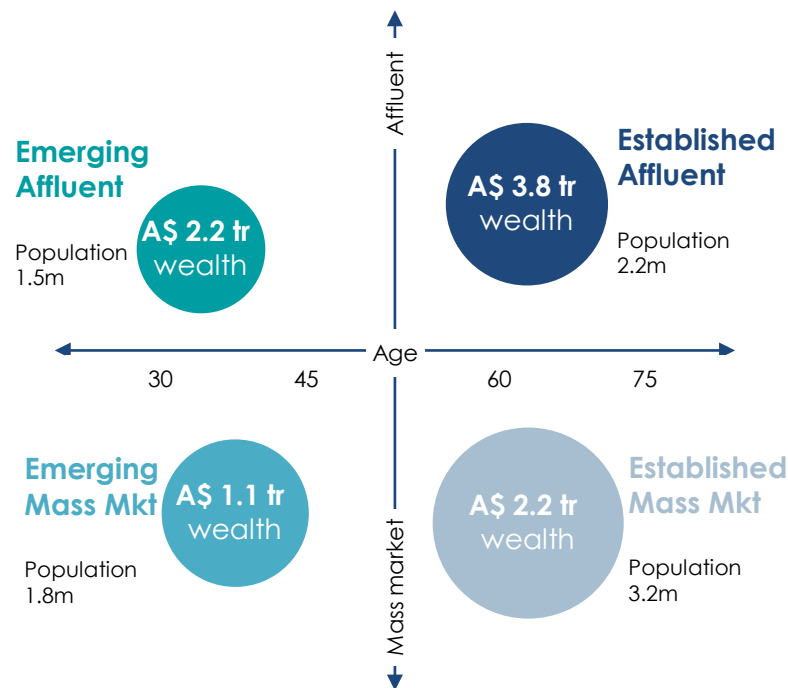
- ★ ~**250 colleagues** joined from 18 global offices where the Group is present for the two-day event
- ★ Reiterated **key targets** to further drive sustainable growth and profitability across all regions
- ★ Presented **key initiatives**, amongst others, three private markets products to be distributed globally to institutional investors

Superannuation  
market is growing<sup>1</sup>

**+7.6% yoy**

**A\$ 3.5 tr**

The affluent segment is sizable  
& relationship-based  
advice is desired<sup>2</sup>



A large pool of  
fin. advisory businesses  
to target for M&A<sup>3</sup>



We want to remain present in the market as a key shareholder of our subsidiary  
yet are open to evaluate a strategic partnership with new financial investors and/or potential IPO

Note (1): Source APRA, as of 30 June 2023. Note (2): Source Netwealth: The Emerging Affluent. Note (3): Source ASIC & desk research, as of December 2022.

**US household wealth is expected to grow significantly<sup>1</sup>**

**\$ 85 tr**

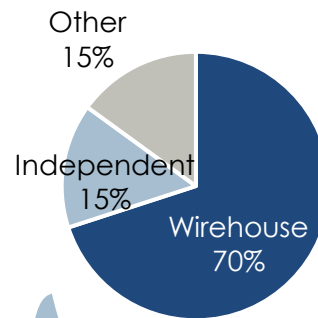
**\$ 55 tr**

US Household Asset Growth

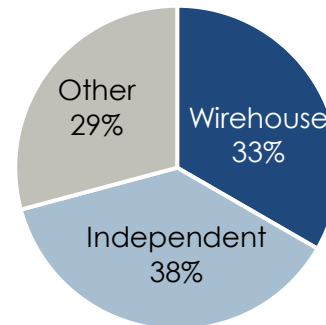
10 years

**Market share of independent financial advisors is growing<sup>2</sup>**

**1993**



**2023**



**Affluent Investors are more reliant on Advisors than ever before<sup>3</sup>**

**+5% vs 2021**

**41%**

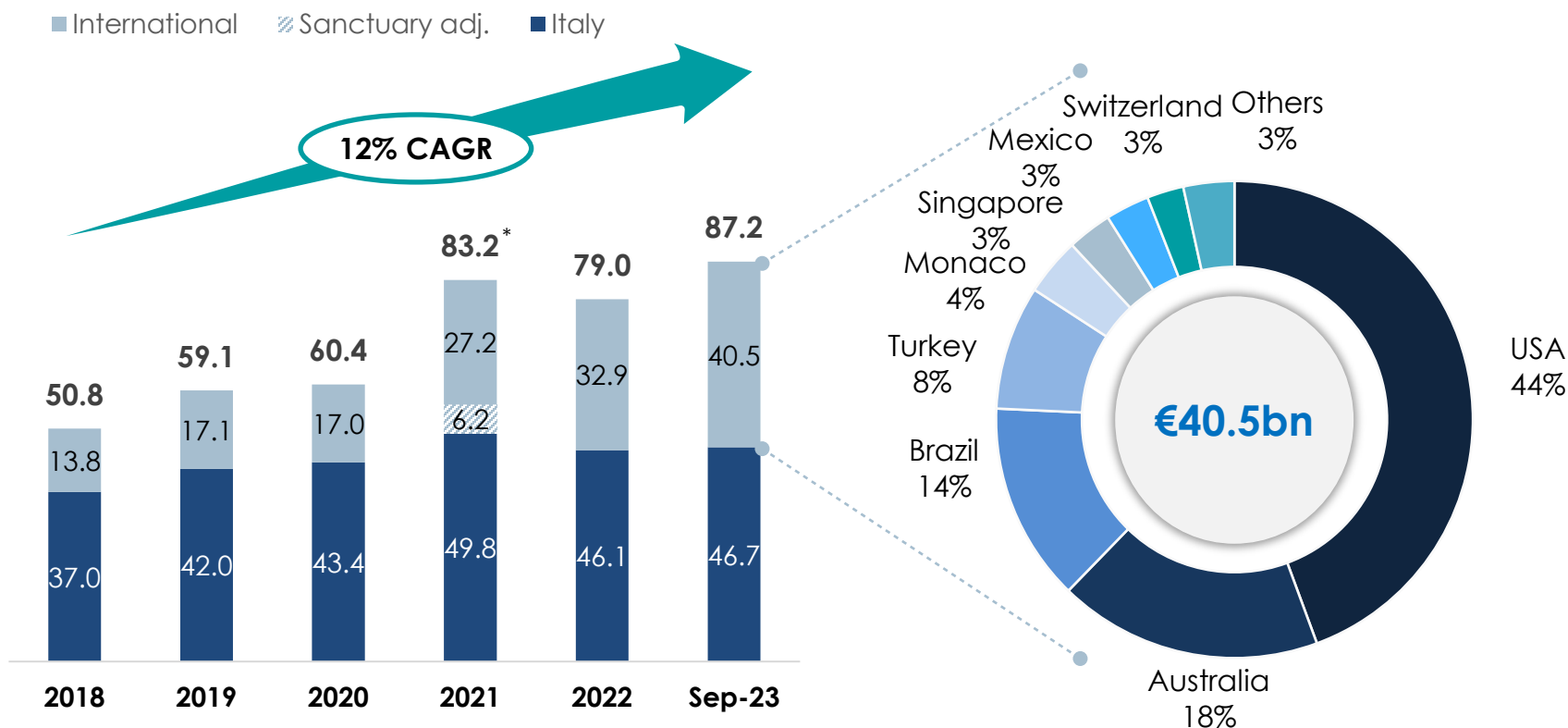
Investors that identified as advisor-reliant as of 2Q23

**We want to remain present in the market as a key shareholder of our subsidiary yet are open to evaluate a strategic partnership with new financial investors and/or potential IPO**

Note (1): Cerulli Associates: "As Investor Assets Reach \$55 Trillion, Advisors Tun to the Principles of Behavioral Finance to Acquire, Grow, and Retain Assets"; Deloitte Center for Financial Services: "The future of wealth in the United States: Mapping trends in generational wealth". Note (2): Zoe Financial: "The Unbundling of Wealth Management" & Cerulli Associates: "U.S. Broker/Dealer Marketplace 2022". Note (3): Cerulli Associates: "Affluent Investors Are More Reliant on Advisors Than Ever Before".

USA, Australia, Brazil and Turkey represent the main markets abroad

Total Assets breakdown (€bn)



Source: Company data. Due to rounding, totals may not correspond with the sum of the separate figures.

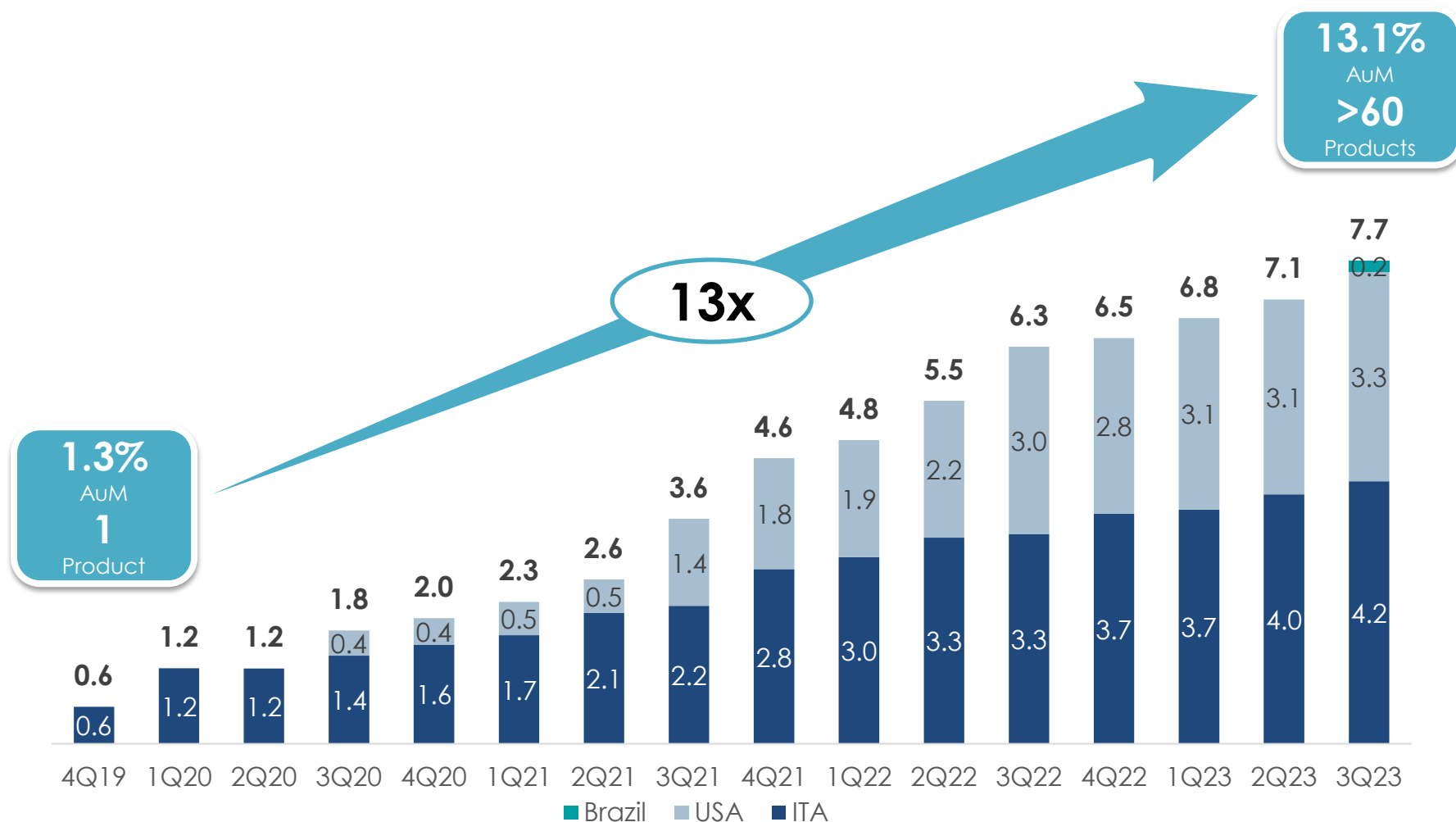
Note (\*): Total not adjusted for Sanctuary.

# Continued strong private markets AuM development



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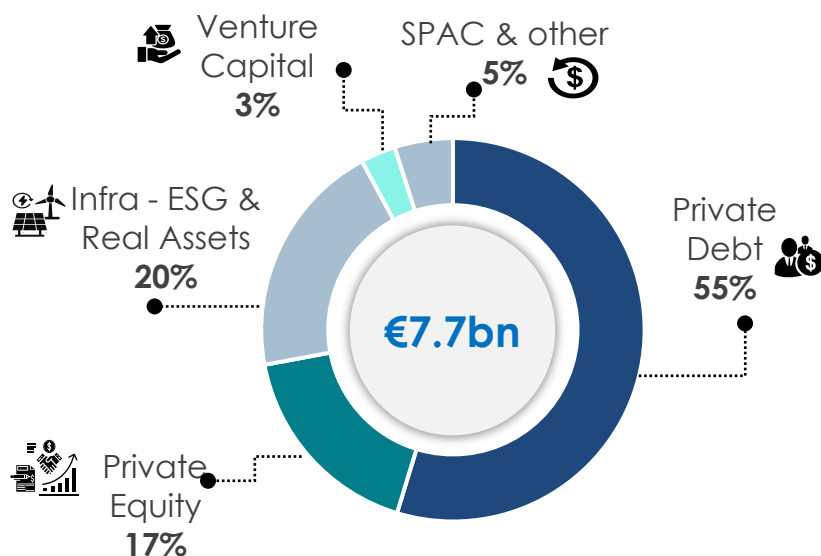
We are on track to achieve our 15% Private Markets AuM target by the end of 2024



Source: Company data.

We continue to expand our private markets platform for the benefit of our clients

## AuM by asset class

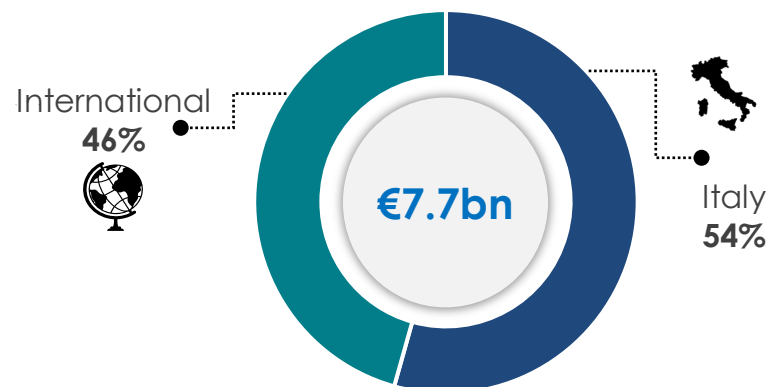


**1,725**

FAs in Italy who sold  
≥ 1 private markets product

92%

## AuM by Region



21%

**~46k**

Clients in Italy who bought  
≥ 1 private markets product



We continue to collaborate with leading private markets firms for the benefit of our clients

## Kennedy Lewis Investment Management



Asset class

Private credit

AUM

~ USD 13bn  
(**>6x** since Azimut's entry)

Azimut's  
stake

20%

Client base

Mostly Tier One Institutional  
Investors

Employees

67 employees, with 38 investment  
professionals

Recent  
events

Raised \$4.1bn for 3<sup>rd</sup> flagship  
opportunistic credit fund to deploy  
in US & Europe in firms with EV of  
\$300m to \$3bn & launched a BDC

## HighPost Capital



Asset class

Private equity

AUM

~ USD 0.6bn  
(**>6x** since Azimut's entry)

Azimut stake

Recently increased to 15%,  
optionality to increase to 25%

Client base

Mostly Family Offices & HNWI

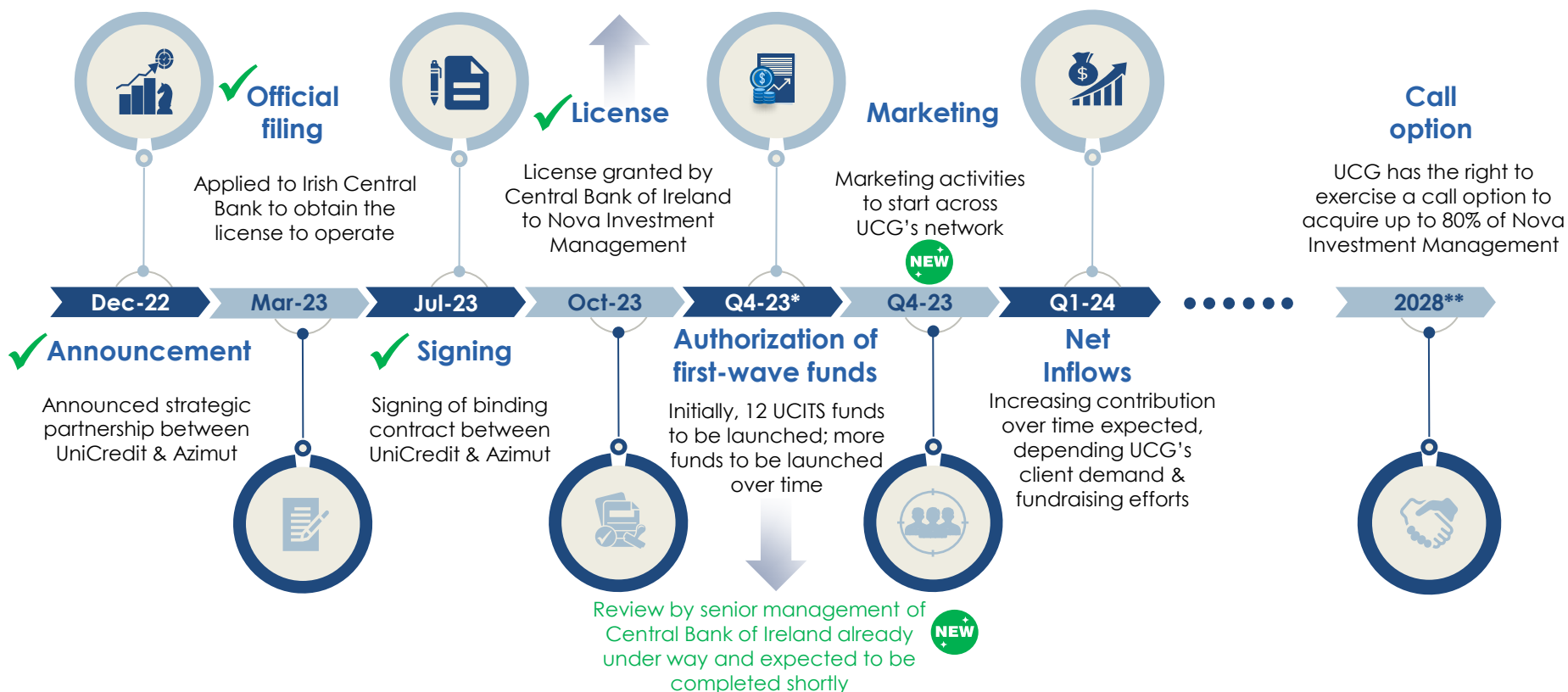
Employees

17 employees, with 11 investment  
professionals

Recent  
events

Strengthened partnership with  
Azimut Group, with founders David  
Moross and Mark Bezos becoming  
shareholders of Azimut

## Roll-out of operational setup phase in line with originally announced plan



**Net profit for Azimut: additional growth remunerated with ~50bps**

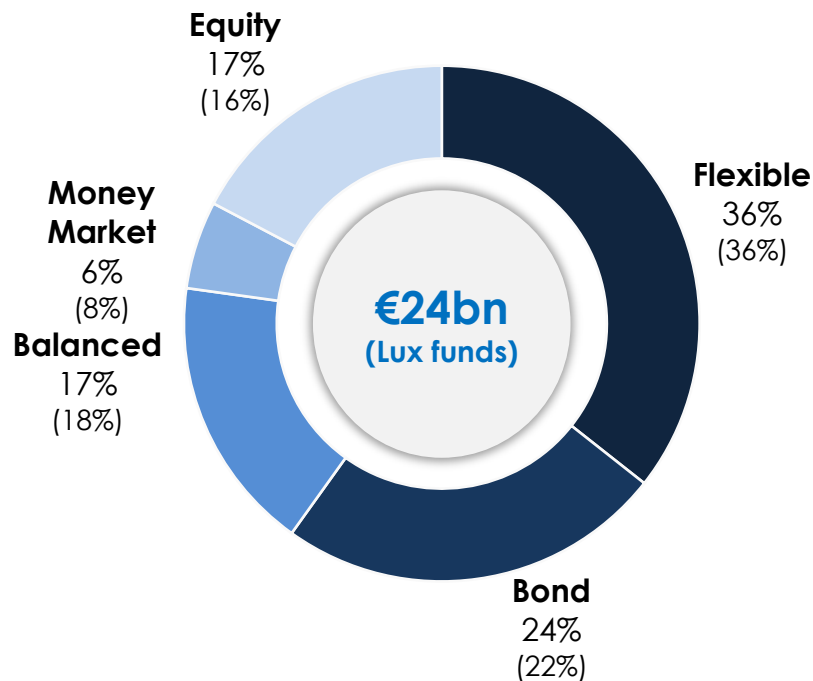
Source: Company data.

Note (\*): The actual timing may slightly differ, depending on the approval process by the Irish regulator.

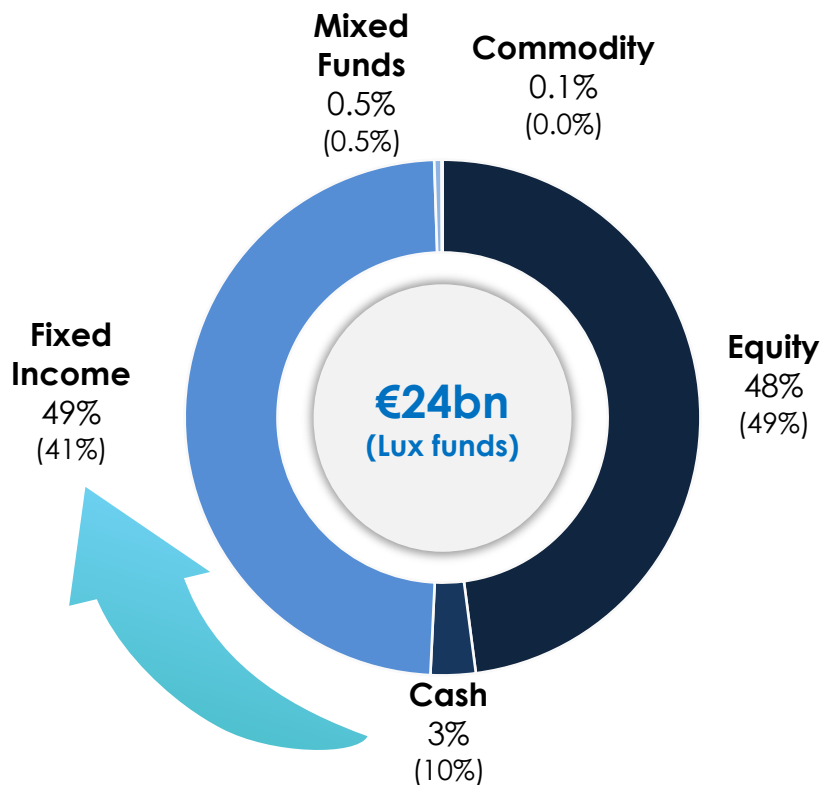
Note (\*\*): Or earlier, subject to specific customary conditions for this type of transactions.

## Dynamic asset allocation to optimize risk-return profile

### AuM by category

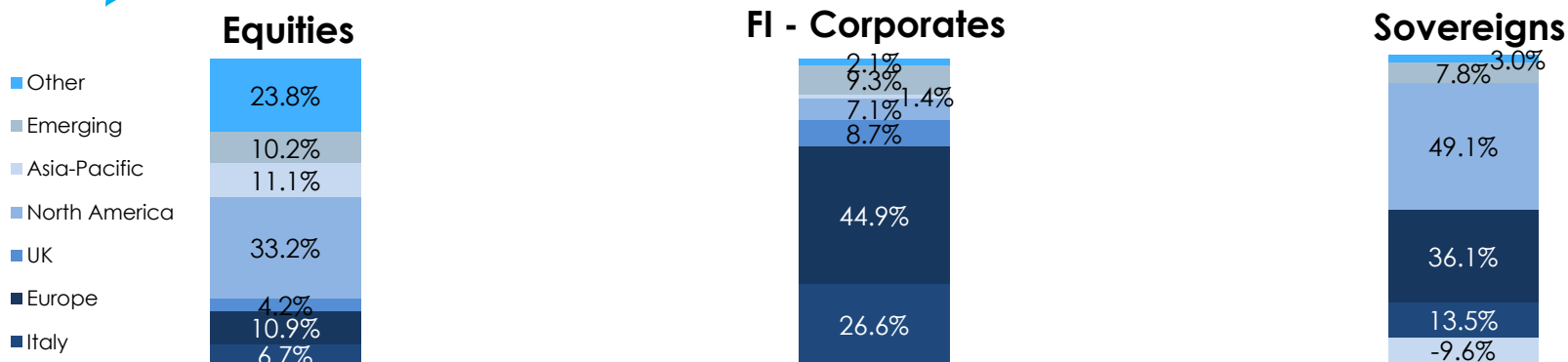
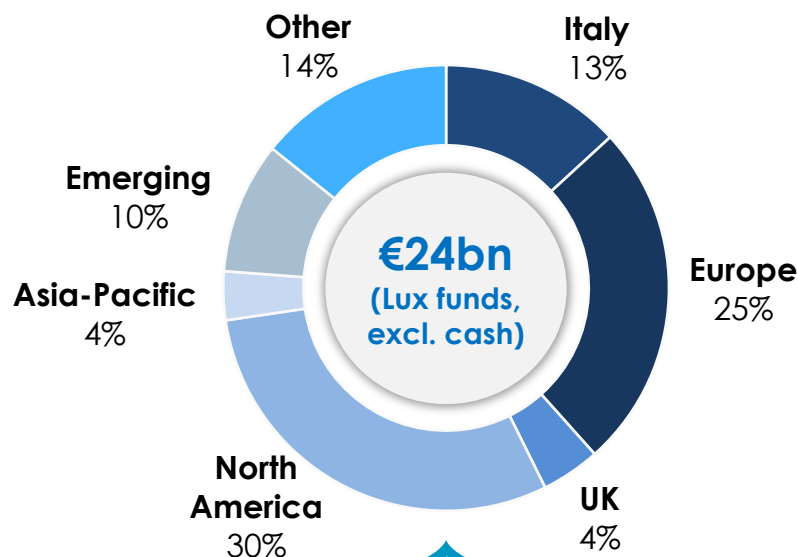


### AuM by underlying asset



Source: Company data as of 29 September 2023 vs. 30 June 2022 (in brackets)  
 Note: Due to rounding, totals may not correspond with the sum of the separate figures.

## Breakdown of Total Portfolio by geography



Source: Company data as of 29 September 2023.

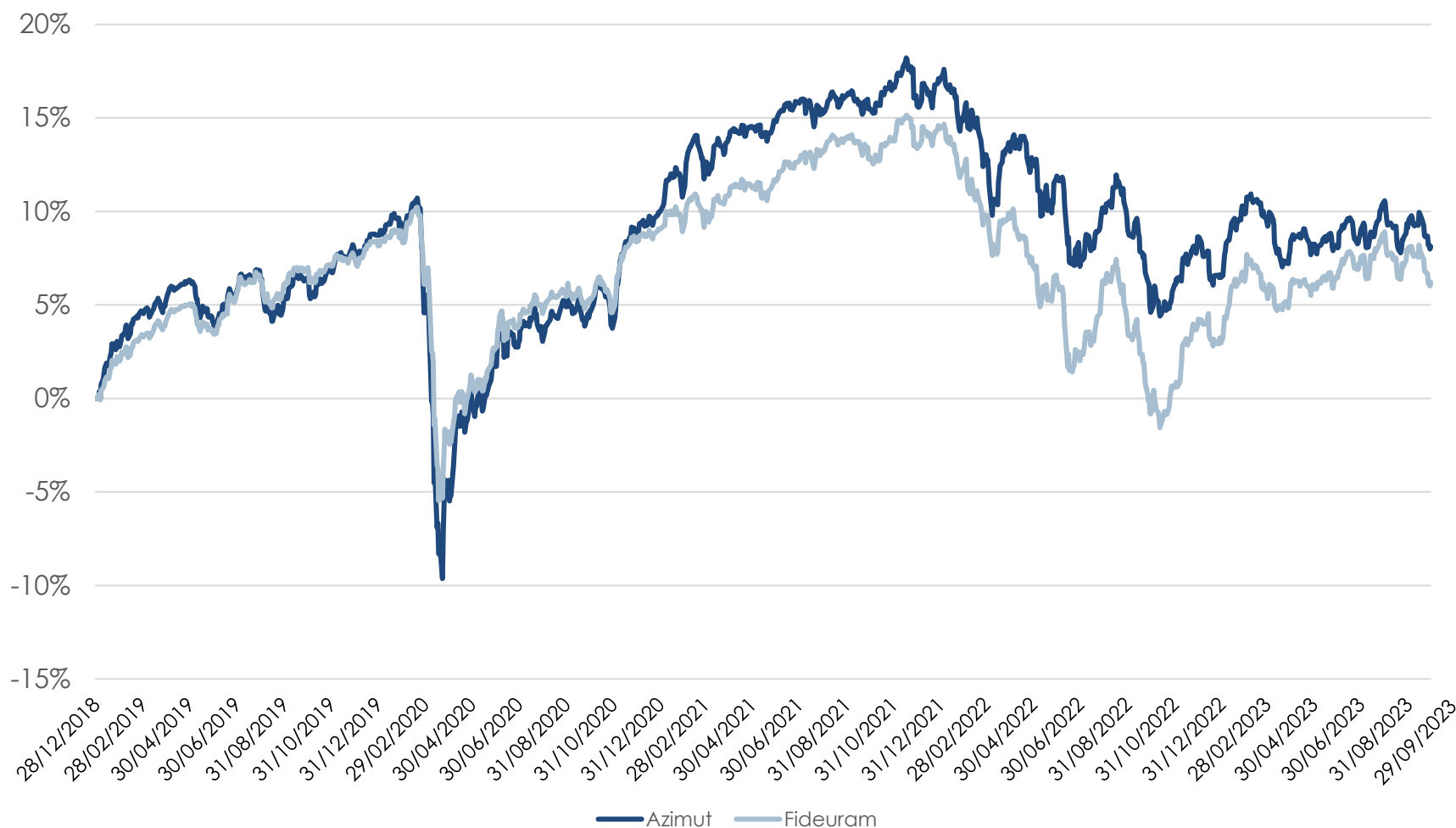
Note: Due to rounding, totals may not correspond with the sum of the separate figures.

# Azimut Net Weighted Average Performance to clients



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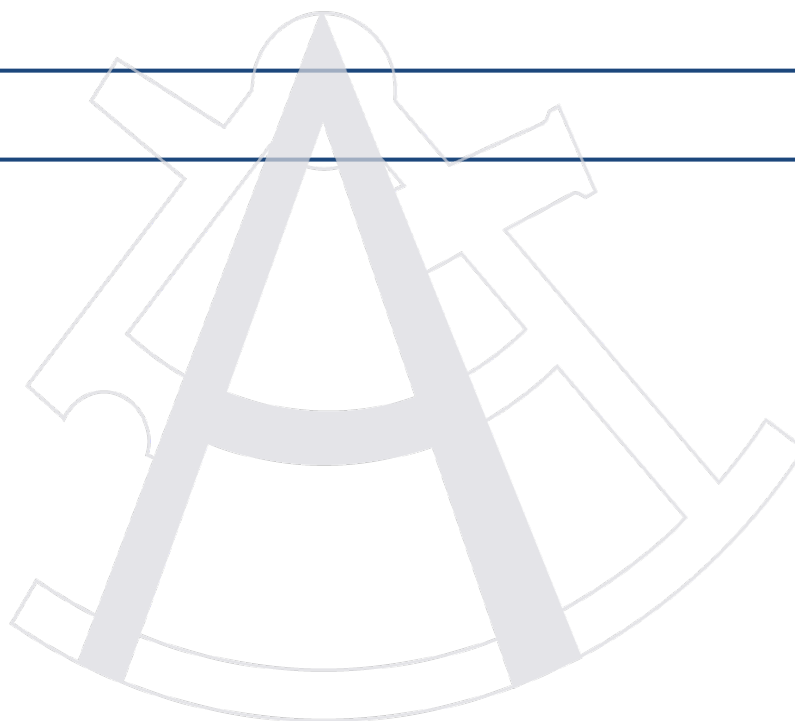
**Our clients benefitted from an 8.1% WAP (vs. 6.2% industry) over the mid term**



Source: Company data as of 29 September 2023 and Italy Fideuram General Index (Bloomberg: FIDMGEND).



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# Consolidated reclassified Income Statement (1/2)

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## Income Statement

€/000	9M 2023	9M 2022 (*)	3Q 2023	2Q 2023	3Q 2022 (*)	9M 2023 vs. 9M 2022 (*)
Entry commission income	7,896	8,044	2,589	3,165	1,765	
Recurring fees	1 856,431	825,979	285,582	286,097	273,711	
Variable fees	2 -4,334	34,443	-2,992	-5,484	-5,530	
Other income	21,436	29,753	7,916	7,346	7,727	
Insurance revenues	3 83,562	68,372	28,746	25,765	20,702	
<b>Total Revenues</b>	<b>964,990</b>	<b>966,591</b>	<b>321,841</b>	<b>316,890</b>	<b>298,375</b>	<b>0%</b>
Distribution costs	-287,125	-327,478	-91,473	-99,080	-90,280	
Personnel and SG&A	-227,164	-199,144	-77,021	-74,468	-64,437	
Dep., amort. & provisions	-19,870	-26,044	-8,103	-7,390	-8,548	
<b>Operating costs</b>	<b>4 -534,159</b>	<b>-552,667</b>	<b>-176,598</b>	<b>-180,938</b>	<b>-163,264</b>	<b>-3%</b>
<b>Operating Profit</b>	<b>430,831</b>	<b>413,924</b>	<b>145,243</b>	<b>135,951</b>	<b>135,111</b>	<b>4%</b>
<b>KPIs</b>						
Operating margin	44.6%	42.8%	45.1%	42.9%	45.3%	

1 Impacted by Sanctuary deconsolidation (€44m); includes c. € 35m new distribution fee per quarter introduced as of April 22

2 Impacted by change in fee structure: negative fulcrum (9M 2023) vs. crystallization of perf. fees under old method (Q1 2022)

3 Insurance revenues included €9.0m performance fees in 1H 2023 vs. €1.1m in 1H 2022

4 Decrease explained by the de-consolidation of Sanctuary, partially offset by the change in perimeter and investment into growth internationally

Source: Company data. Note (\*): Restated for the adoption of IFRS 17.

# Consolidated reclassified Income Statement (2/2)

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## Income Statement

€/000		9M 2023	9M 2022 (*)	3Q 2023	2Q 2023	3Q 2022 (*)	9M 2023 vs. 9M 2022 (*)
<b>Operating Profit</b>		<b>430,831</b>	<b>413,924</b>	<b>145,243</b>	<b>135,951</b>	<b>135,111</b>	<b>4%</b>
Finance income	1	66,634	27,400	14,253	24,418	252	
Net non-operating income/(costs)	2	-13,460	1,242	-877	-10,444	-531	
Finance expense		-6,473	-8,187	-2,159	-2,158	-2,151	
<b>Profit Before Tax</b>		<b>477,533</b>	<b>434,378</b>	<b>156,460</b>	<b>147,768</b>	<b>132,682</b>	<b>10%</b>
Income tax	3	-119,109	-106,491	-28,319	-26,729	-25,794	
Deferred tax		-221	2,701	-4,260	7,555	-3,611	
<b>Net Profit</b>		<b>358,202</b>	<b>330,589</b>	<b>123,880</b>	<b>128,593</b>	<b>103,276</b>	<b>8%</b>
Minorities		17,632	9,579	6,139	6,458	7,326	
<b>Consolidated Net Profit</b>		<b>340,570</b>	<b>321,010</b>	<b>117,741</b>	<b>122,136</b>	<b>95,950</b>	<b>6%</b>
<b>Adjusted Net Profit**</b>	4	<b>348,921</b>	<b>302,298</b>	<b>116,941</b>	<b>111,236</b>	<b>100,580</b>	<b>15%</b>
<b>KPIs</b>							
Adj. net profit margin** (bps/ avg tot Assets)		55	48	54	53	48	

1 Driven by positive IFRS17 impact, dividends from GPs (minority stakes), Sanctuary, fair-value options, & realized/unrealized gains/losses on own investments

2 Includes €9m write-off charge related to the discontinuation of the new front-end program for FAs in Italy

3 Includes €19m one-off charges as a result of tax settlement with Italian Revenue Agency for tax periods 2016 - 2021

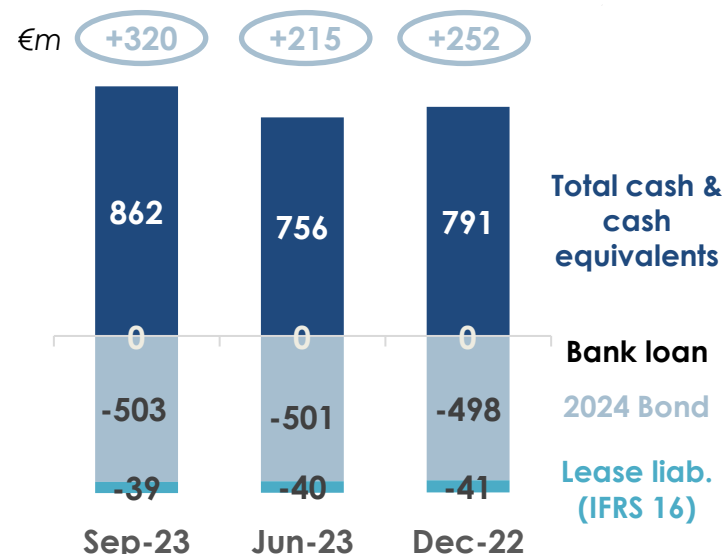
4 Excluding IFRS17 impact (€ 11.1m) and tax settlement charge (€-19.4m)

Source: Company data. Note (\*): Restated for the adoption of IFRS 17. Note (\*\*): To better reflect the underlying net profit, the 1H 2023 calculation excludes the €-19.4m one-off charge related to the tax settlement with Italian Revenue Agency and the € 11.1m accounting impact of the implementation of the IFRS 17 standard (9M 2022: €18.7m).



## Strong positive cash position while continuing deleveraging path

€/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
<b>Total debt</b>	<b>-503,272</b>	<b>-501,128</b>	<b>-498,204</b>
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
<b>Cash &amp; cash equivalents</b>	<b>862,164</b>	<b>755,755</b>	<b>791,262</b>
<b>Net financial position</b>	<b>358,892</b>	<b>254,627</b>	<b>293,058</b>
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>



## Net financial position as of Sep23 after:

**M&A / investments**

**€ 141m**

For acquisitions and investments in AUS, BR, IT and US

**Dividends**

**€ 234m**

For ordinary dividends & participating financial instruments

**Taxes & others**

**€ 64m**

For tax advances, tax litigation, stamp duties & actuarial reserves



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# Targets 2023 & 2024

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We remain steadfast on delivering our targets\*

2023

2024



Net  
inflows

Net  
profit

€ 6 – 8bn\*

€ 450m\*

€5.4bn

as of Oct23

€349m

as of 9M23



Private  
Markets / AuM

Net  
profit

Intl. adj.  
net profit

15%

€ 500m\*

€ 150m\*

Source: Company data

Note (\*): under the assumption of normal market conditions. International adjusted net profit on an annualized basis.

## Investor Relations Contacts

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## Upcoming events

- ★ 7 March 2024: Board of Directors (BoD) approval of FY 2022 results
- ★ 24 April 2024: Annual General Meeting
- ★ 9 May 2024: BoD approval of 1Q 2024 Results
- ★ 1 August 2023: BoD approval of 1H 2024 Results
- ★ 7 November 2023: BoD approval of 9M 2024 Results

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