



GRUPPO AZIMUT
AZIMUT
LA DIREZIONE PER INVESTIRE

Azimut Group

9M 2023 Results

9 November 2023

Table of Contents



★ 9M 2023 Highlights	3
★ Business update	10
★ 9M 2023 Financials	22
★ Targets	26





★ 9M 2023 Highlights	3
★ Business update	10
★ 9M 2023 Financials	22
★ Targets	26



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



4



€ 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).

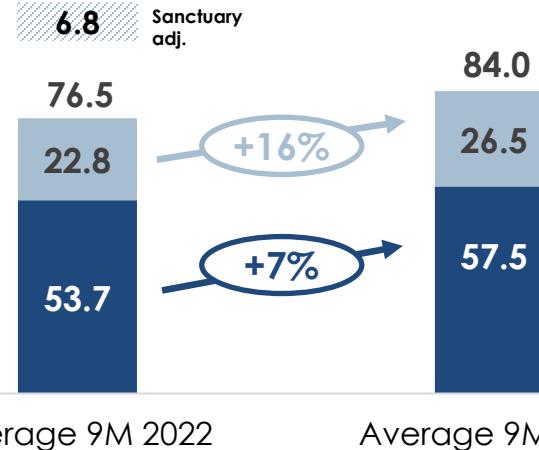
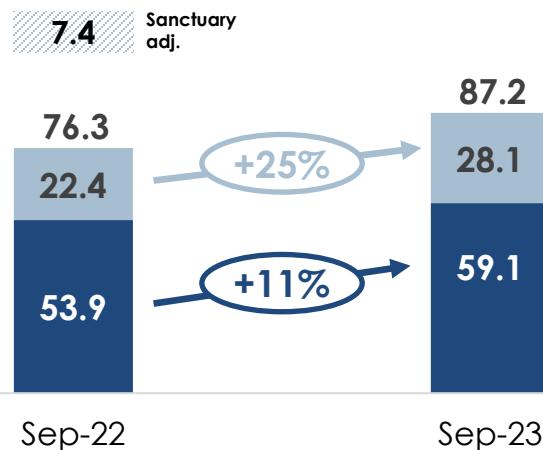
9M 2023: scale and diversification continue to drive growth



5

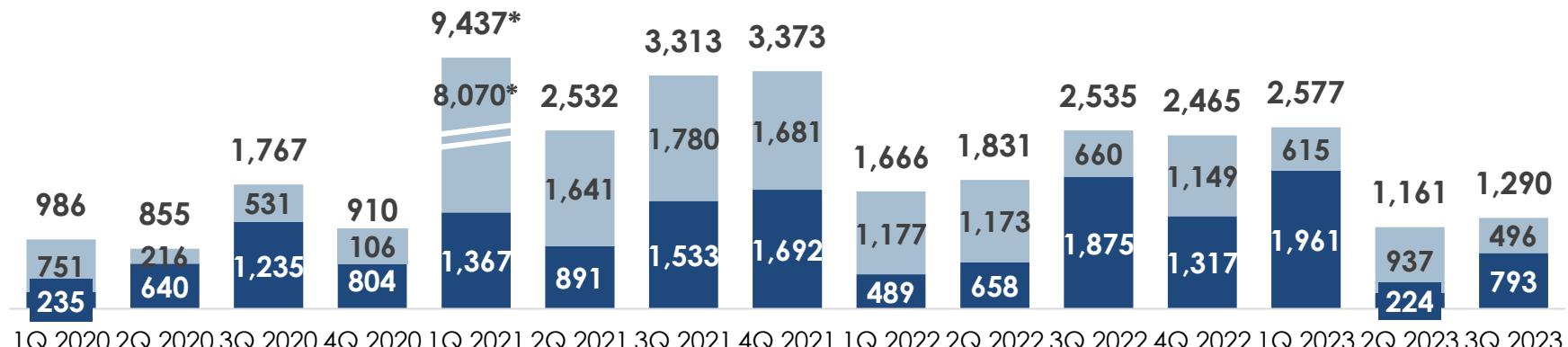
Total Assets (€bn)

■ AuC ■ AuM



Net inflows (€m)

■ AuC ■ AuM



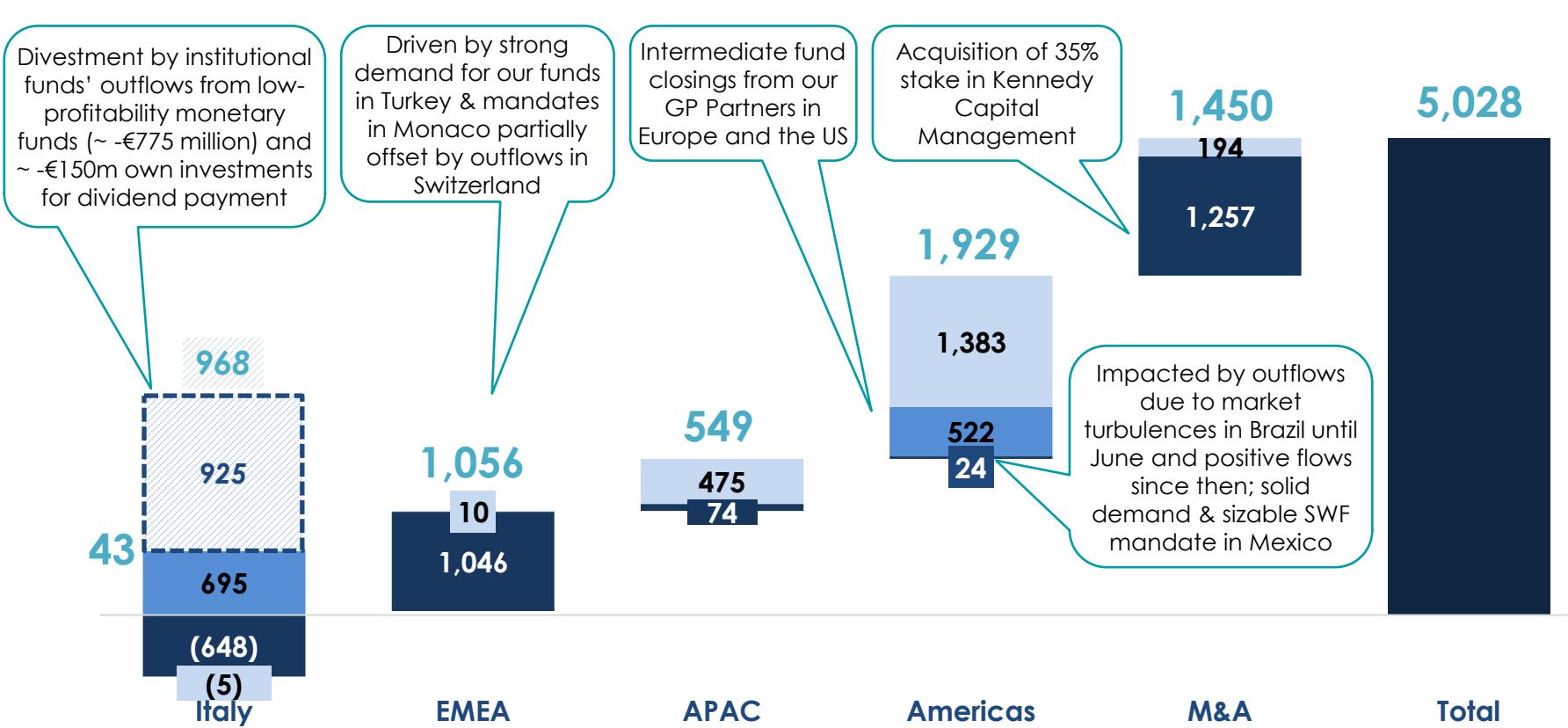
Source: Company data. Average AuM & AuC calculated on a monthly basis. Due to rounding, totals may not correspond with the sum of the separate figures. Note (*): Includes consolidation of Sanctuary.

9M 2023: Net inflows by product and region



€m

- Non-internally managed / custody inflows
- Inflows into private markets
- Managed inflows

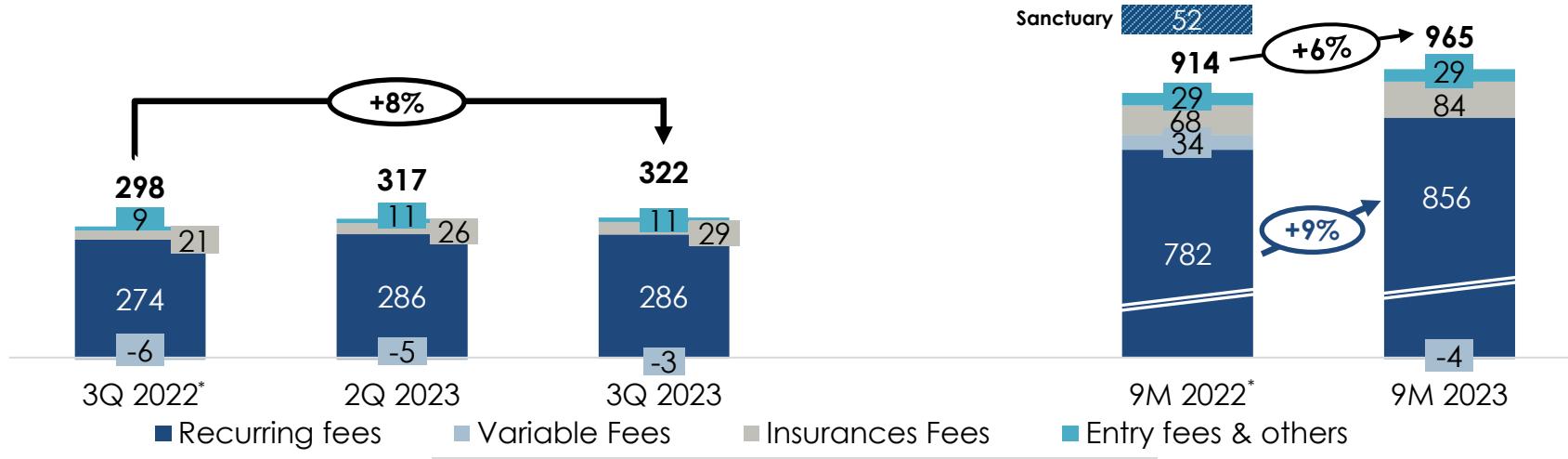


Source: Company data.

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

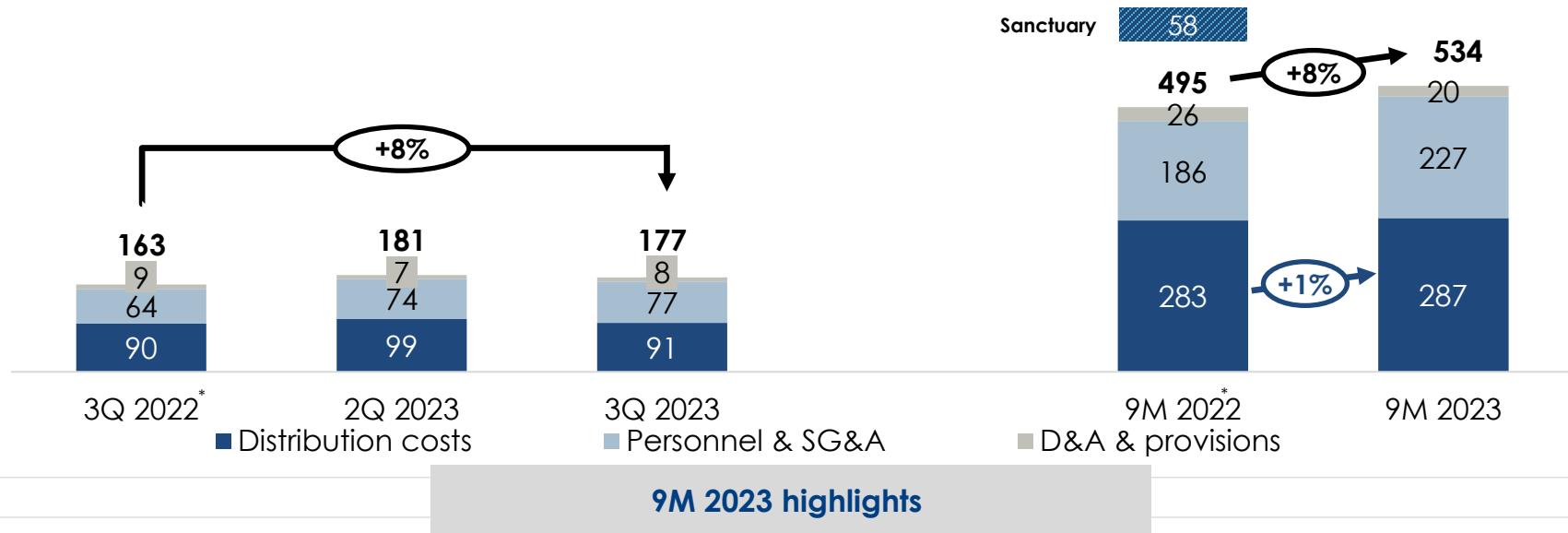
- ★ Solid growth in **recurring fees** (+9%) y-o-y, driven by:
 - * growth in **Total Assets / expansion of private markets** platform in Italy / growth & change in perimeter in **Australia**
- ★ **Performance fees** driven by:
 - * Negative fulcrum partially offset by **positive international business** (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

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



Disciplined cost control on a same perimeter basis

Total Costs Breakdown (€m)



- * **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

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

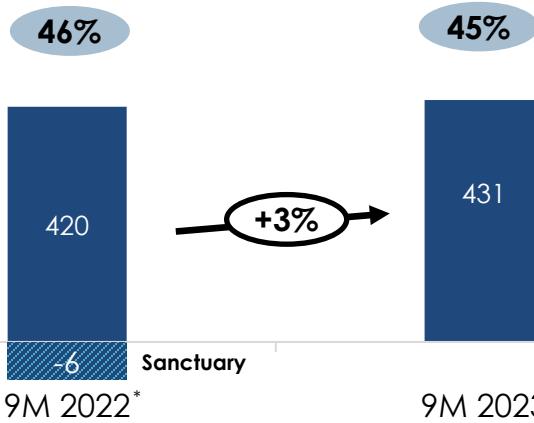


Continued investment for growth, while maintaining among best-in-class profitability



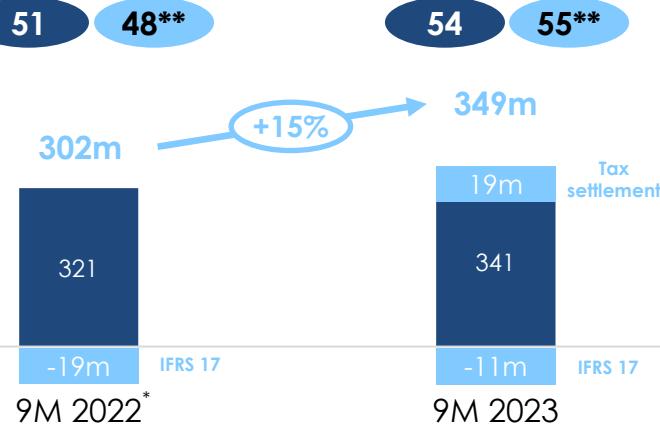
EBIT (in €m)

EBIT margin



Adjusted Net profit (in €m)

Net profit margin (bps)



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

Source: Company data. Note (*): Restated for the adoption of IFRS 17. 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 (9M 2022: € 18.7m).

Table of Contents



★ 9M 2023 Highlights	3
----------------------	---

★ Business update	10
--------------------------	----

★ 9M 2023 Financials	22
----------------------	----

★ Targets	23
-----------	----





- ★ ~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

Source: Company data.



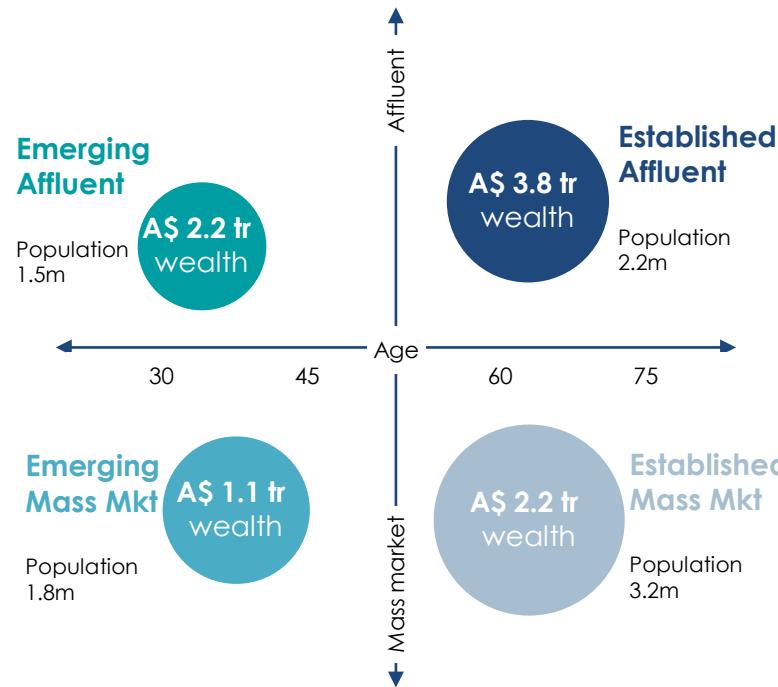
Superannuation market is growing¹

+7.6% yoy

A\$ 3.5 tr



The affluent segment is sizable & relationship-based advice is desired²



A large pool of fin. advisory businesses to target for M&A³



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 significantly¹

\$ 85 tr

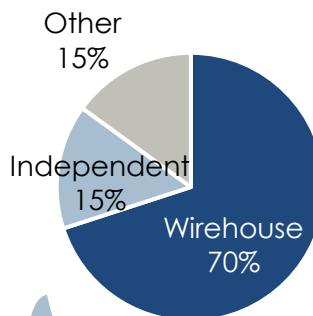
\$ 55 tr

US Household Asset Growth

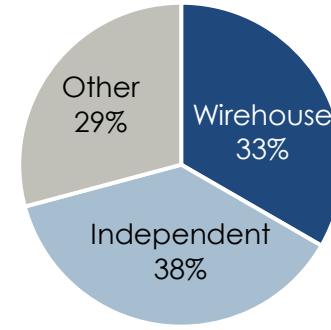
10 years

Market share of independent financial advisors is growing²

1993

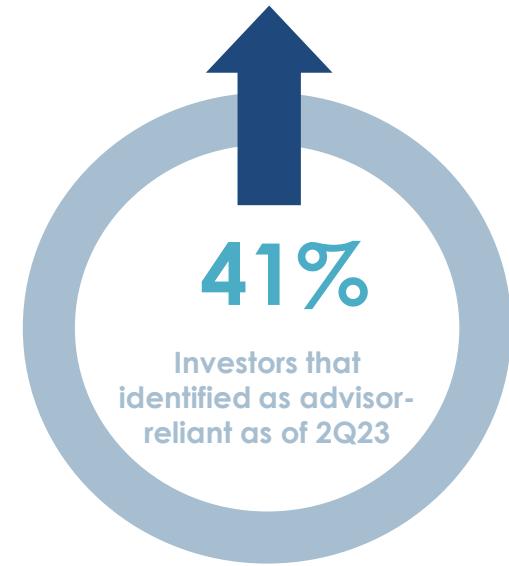


2023



Affluent Investors are more reliant on Advisors than ever before³

+5% vs 2021

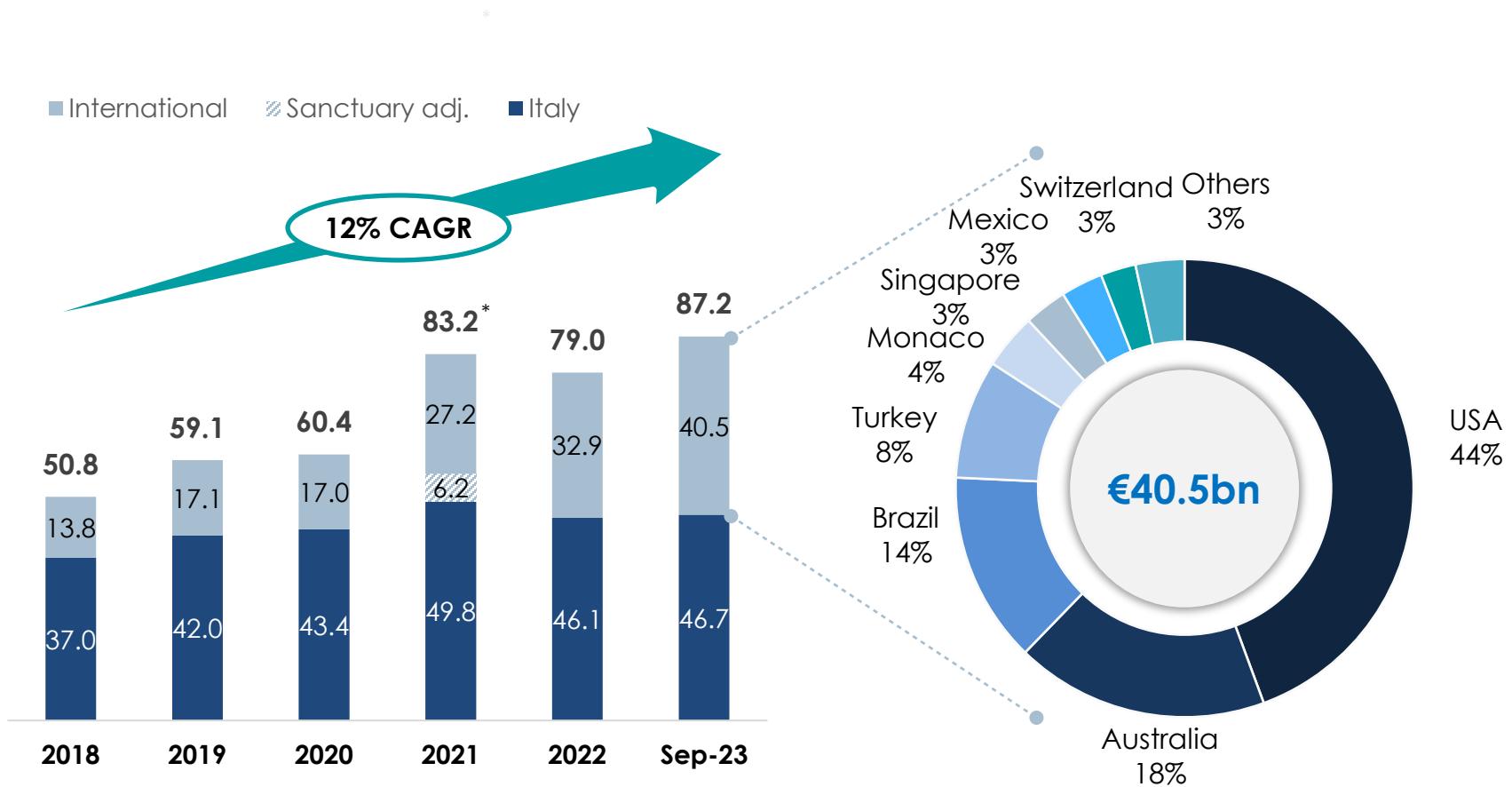


We want to remain present in the market as a key shareholder of our subsidiary yet are open to evaluate a strategic partnership with new financial investors and/or potential IPO

Note (1): Cerulli Associates: "As Investor Assets Reach \$55 Trillion, Advisors Turn 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)

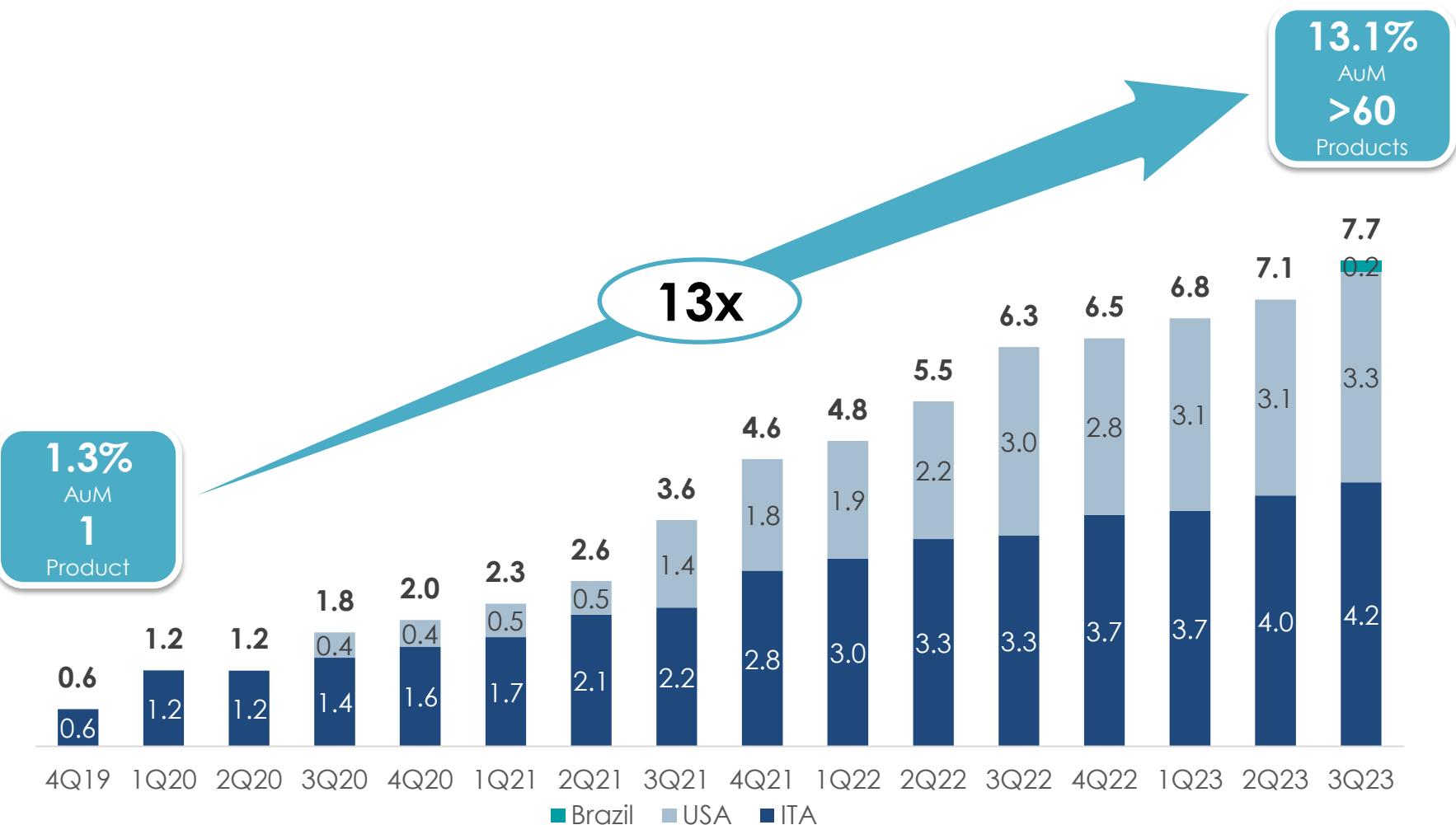


Source: Company data. Due to rounding, totals may not correspond with the sum of the separate figures.
 Note (*): Total not adjusted for Sanctuary.

Continued strong private markets AuM development



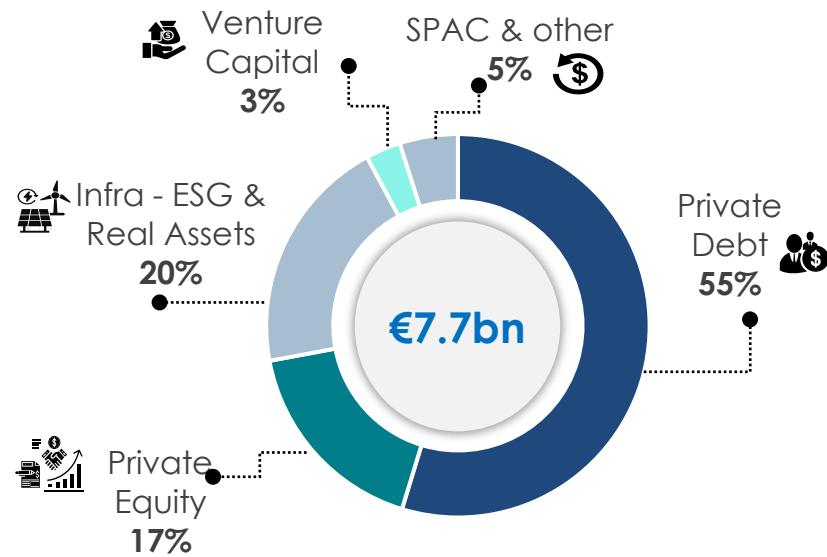
We are on track to achieve our 15% Private Markets AuM target by the end of 2024



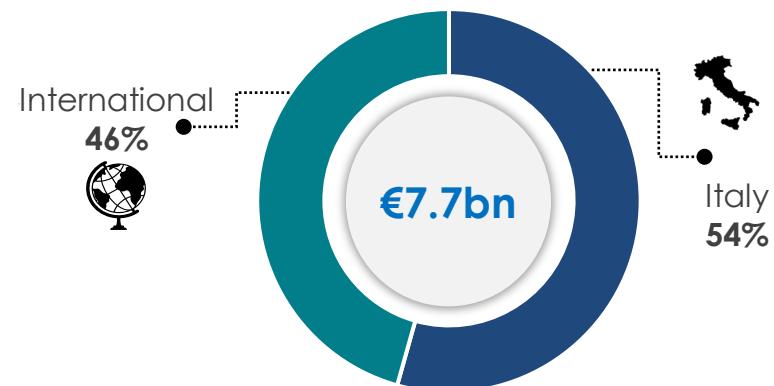
Source: Company data.

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

AuM by asset class



AuM by Region



1,725 FAs in Italy who sold
≥ 1 private markets product

92%

21%

~46k Clients in Italy who bought
≥ 1 private markets product

Source: Company data.

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

Kennedy Lewis Investment Management



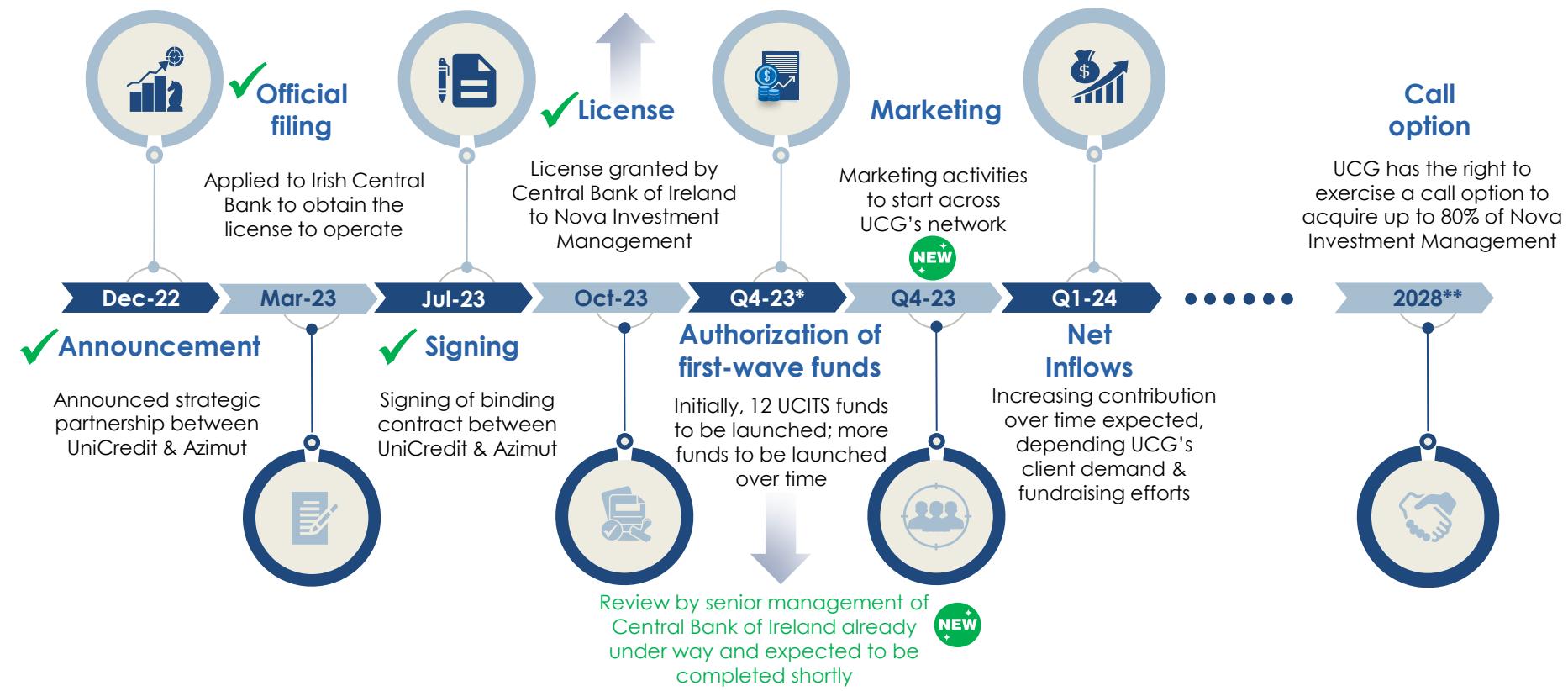
Asset class	Private credit	Asset class	Private equity
AuM	~ USD 13bn (>6x since Azimut's entry)	AuM	~ USD 0.6bn (>6x since Azimut's entry)
Azimut's stake	20%	Azimut stake	Recently increased to 15%, optionality to increase to 25%
Client base	Mostly Tier One Institutional Investors	Client base	Mostly Family Offices & HNWI
Employees	67 employees, with 38 investment professionals	Employees	17 employees, with 11 investment professionals
Recent events	Raised \$4.1bn for 3 rd flagship opportunistic credit fund to deploy in US & Europe in firms with EV of \$300m to \$3bn & launched a BDC	Recent events	Strengthened partnership with Azimut Group, with founders David Moross and Mark Bezos becoming shareholders of Azimut

Source: Company data as of 30 September 2023.

Timeline partnership with UniCredit



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



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

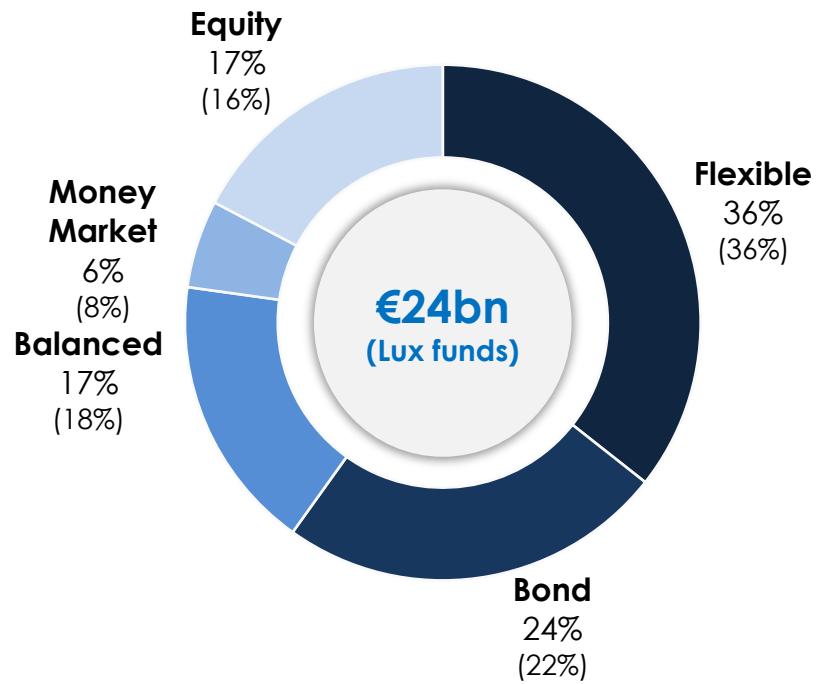
Source: Company data.

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

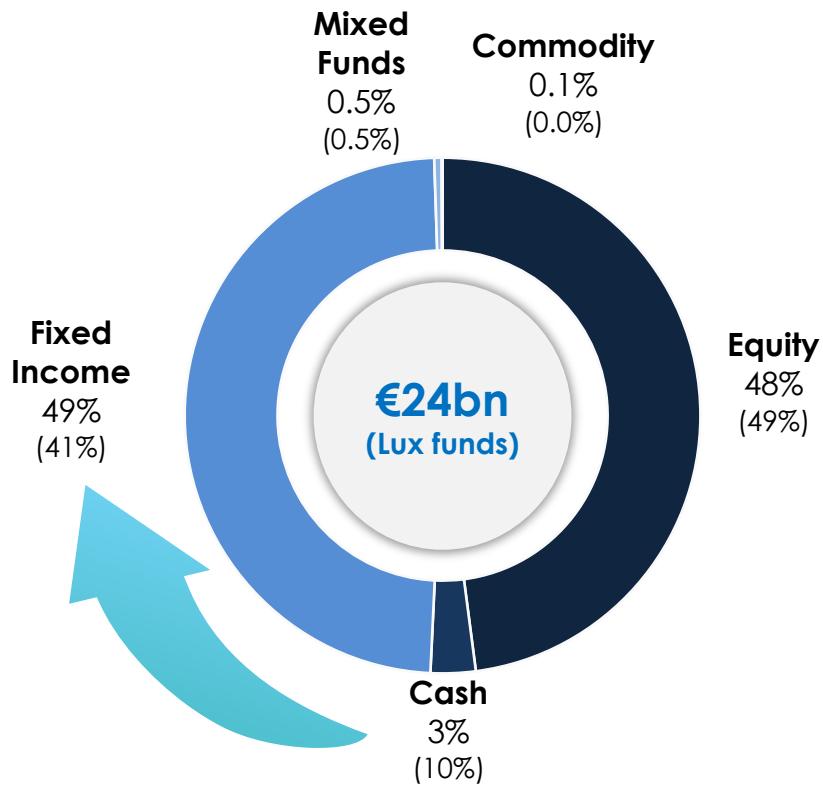
Note (**): Or earlier, subject to specific customary conditions for this type of transactions.

Dynamic asset allocation to optimize risk-return profile

AuM by category



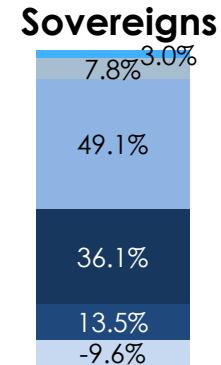
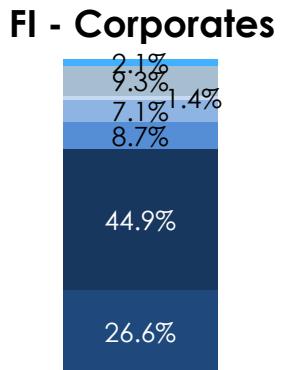
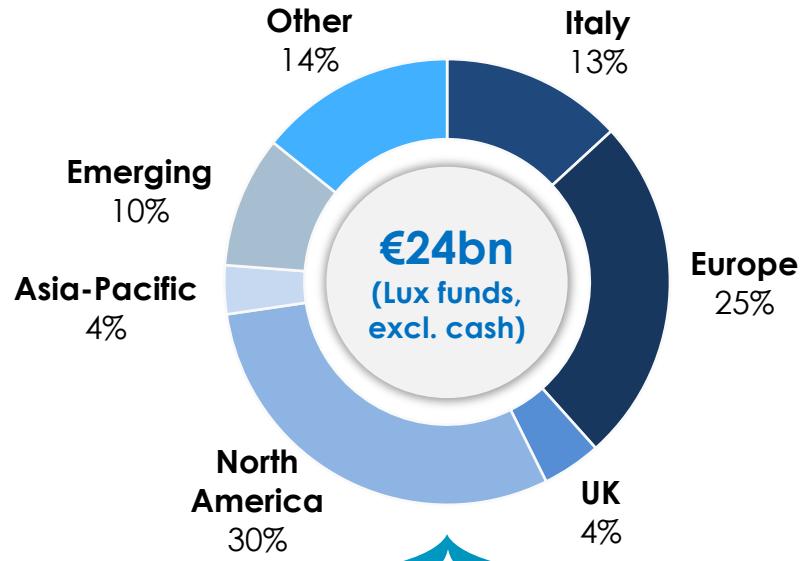
AuM by underlying asset



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

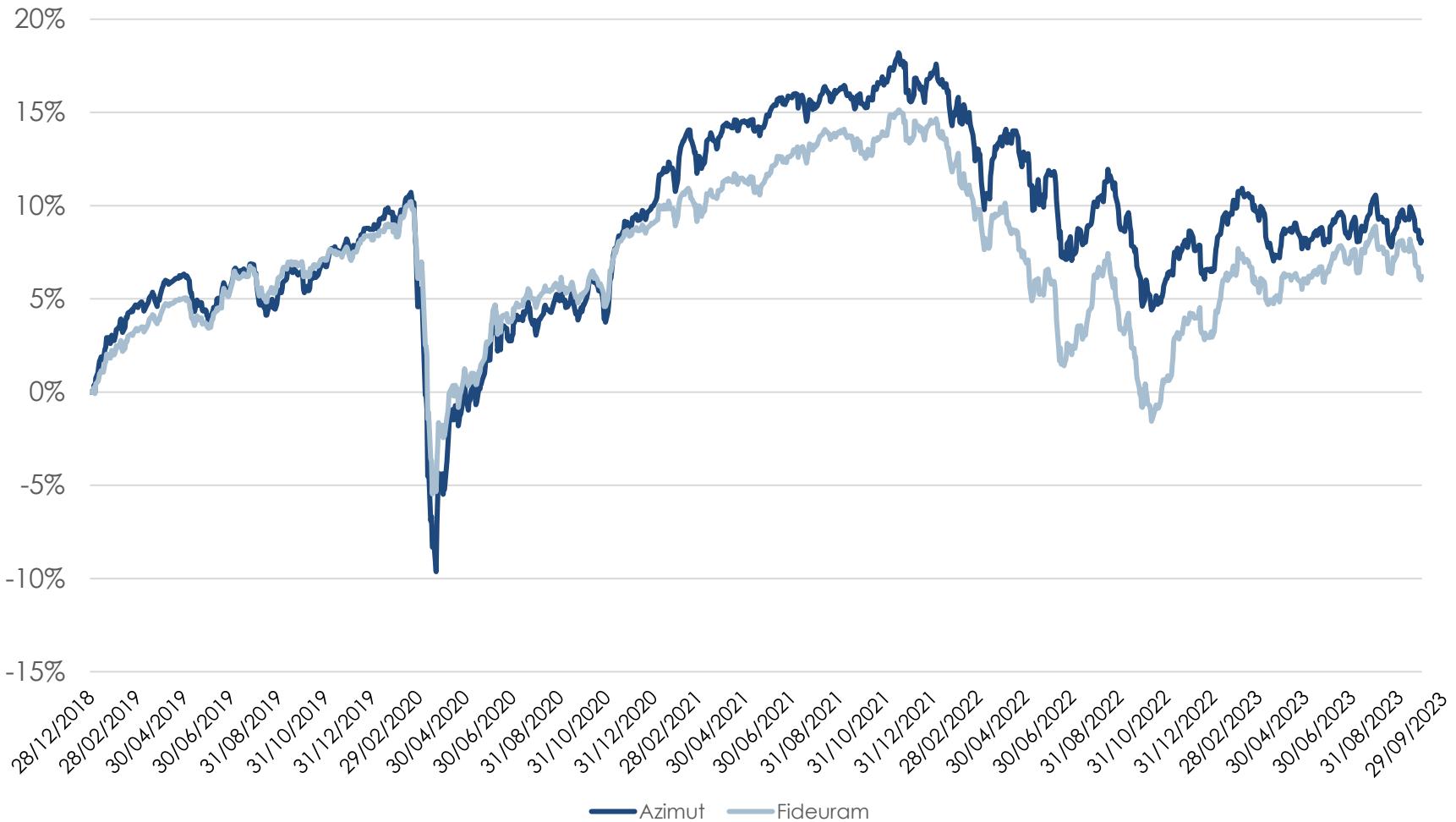


Source: Company data as of 29 September 2023.

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



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).

Table of Contents



★ 9M 2023 Highlights	3
★ Business update	10
★ 9M 2023 Financials	22
★ Targets	26

Consolidated reclassified Income Statement (1/2)



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	
Total Revenues	964,990	966,591	321,841	316,890	298,375	0%
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	
<u>Operating costs</u>	<u>4 -534,159</u>	<u>-552,667</u>	<u>-176,598</u>	<u>-180,938</u>	<u>-163,264</u>	<u>-3%</u>
Operating Profit	430,831	413,924	145,243	135,951	135,111	4%
KPIs						
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)



Income Statement

€/000	9M 2023	9M 2022 (*)	3Q 2023	2Q 2023	3Q 2022 (*)	9M 2023 vs. 9M 2022 (*)	
Operating Profit	430,831	413,924	145,243	135,951	135,111	4%	
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		
Profit Before Tax	477,533	434,378	156,460	147,768	132,682	10%	
Income tax	3 -119,109	-106,491	-28,319	-26,729	-25,794		
Deferred tax	-221	2,701	-4,260	7,555	-3,611		
Net Profit	358,202	330,589	123,880	128,593	103,276	8%	
Minorities	17,632	9,579	6,139	6,458	7,326		
Consolidated Net Profit	340,570	321,010	117,741	122,136	95,950	6%	
Adjusted Net Profit**	4 348,921	302,298	116,941	111,236	100,580	15%	
KPIs							
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		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)
2	Includes €9m write-off charge related to the discontinuation of the new front-end program for FAs in Italy						

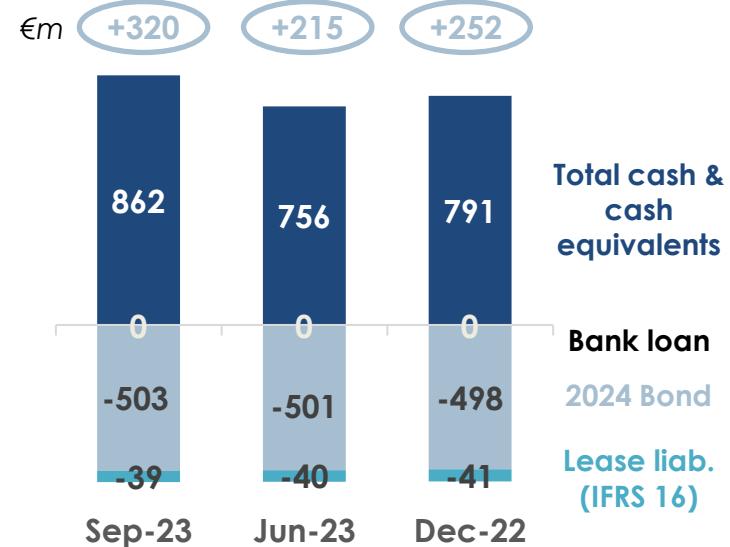
Source: Company data. Note (*): Restated for the adoption of IFRS 17. Note (**): To better reflect the underlying net profit, the 1H 2023 calculation excludes the €-19.4m one-off charge related to the tax settlement with Italian Revenue Agency and the € 11.1m accounting impact of the implementation of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

Net Financial Position



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
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
Net financial position incl. IFRS 16	320,277	214,973	251,594



Net financial position as of Sep23 after:



Source: Company data.

Table of Contents



★ 9M 2023 Highlights	3
★ Business update	10
★ 9M 2023 Financials	22
★ Targets	26



We remain steadfast on delivering our targets*

2023



Net inflows



Net profit

€ 6 – 8bn* € 450m*

€5.4bn
as of Oct23

€349m
as of 9M23

2024



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.



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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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