

## Azimut Holding: 1H 2019 Results

**Best 1H result in the history of the Group in terms of Total Revenues: €486 million (+29% vs. 1H 2018)**

**Second best 1H net profit in the history of the Group: € 171 million (+ 136% vs. 1H 2018)**

**In the 1H 2019:**

- **Consolidated revenues: € 486 million (+29% vs. 1H 2018)**
- **Consolidated net profit: € 171 million (+136% vs. 1H 2018)**

**In the 2Q 2019:**

- **Consolidated revenues: € 238 million (+23% vs. 2Q 2018)**
- **Consolidated net profit: € 80 million (+74% vs. 2Q 2018)**
- **Total Assets at end of June 2019: € 55.9 billion (+10% YTD)**
- **Net Inflows in 2019 YtD: ca. € 3.2 billion (forecast at 31/07/2019)**
  - **€ 2.7 billion in the 1H 2019 (+12% vs. 1H 2018)**

**Milan, 1 August 2019**

Azimut Holding's (AZM.IM) Board of Directors approved today the 1H 2019 results, highlighting the following:

- **Consolidated Total Revenues** in 1H19 of € 485.9 million (vs. € 375.7 million in 1H18)
- **Consolidated Operating Profit** in 1H19 of € 191.5 million (vs. € 98.8 million in 1H18)
- **Consolidated Net Profit** in 1H19 of € 171.0 million (vs. € 72.6 million in 1H18)

**Total Managed Assets** at the end of June 2019 were €43.5 billion, and including assets under custody and third parties' funds reached **€ 55.9 billion**. **Net inflows** for the first six months were ca. € 2.7 billion (**expected to reach € 3.2 billion at the end of July**), of which a good part coming from the overseas business, whose weight on Total Assets stands at 29%.

Net Financial Position as of June 30, 2019 was negative for € 75 million<sup>(1)</sup>, slightly decreasing compared to the end of December 2018 - € 31 million. The NFP in the first half includes mostly the impact of ca. **€ 166 million ordinary dividends paid in cash (on top of a share component equivalent to ca. € 42 million)**, and ca. € 33 million of acquisitions. The NFP also includes payments for ca. € 80 million for policyholders tax advance, stamp duties and mathematical reserves.

Recruitment of financial advisors and private bankers in Italy remained positive: in the first half of 2019 Azimut recorded 90 new hires, bringing the total number of FAs to 1790.

Pietro Giuliani, Chairman of Azimut Holding, comments: *"The hard work of the management team and the overall Group allowed us to achieve the **best first half result in terms of revenues and the second best in terms of net profit**. In particular, recurring profits excluding performance fees are at a record level, confirming the solidity of our P&L. The **300 million net profit** we will achieve **this year** is merely a starting point on which to build the Group's future growth. This will be further disclosed through a new 5 year business plan to be released within the first half of 2020. In the same plan, the contribution of **financial advisors, wealth managers and the global investment team** – generating a **net weighted average performance to clients of + 6.9% year to date** - will be fundamental. Lastly, total assets growing to almost 56 billion euros confirm once again the validity of our solutions and the high quality service offered by our specialists."*

*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. The reclassified financial statements attached to this press release are not subject to verification by the audit company; the latter, in charge of the limited audit of the Consolidated Half-Year Financial Report, will complete its examination in accordance with the law.*

*Note (1): not including the impact of IFRS 16 as detailed in the table below.*

**Azimut** is Italy's leading independent asset manager (active since 1989). The parent company Azimut Holding was listed on the Italian stock exchange on 7 July 2004 (AZM.MI) and, among others, is a member of the main Italian index FTSE MIB. The shareholder structure includes over 1,900 managers, employees and financial advisors as well as Peninsula Capital, bound by a shareholders' agreement that controls over 24% 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, Luxembourg, Ireland, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Brazil, Singapore, Egypt, Mexico, Australia, Chile, USA, UAE and Turkey. 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, following the demerger by incorporation of Azimut Consulenza SIM, distributes Group and third party products in Italy via a network of financial advisors while Azimut Libera Impresa focuses on the Alternatives business. Overseas main operations are AZ Fund Management SA (founded in Luxembourg in 1999), which manages the multi strategy funds AZ Fund 1 and AZ Multi Asset and the Irish AZ Life DAC, which offers life insurance products.

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## CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Data in €/000)	1H 2019	1H 201	2018
Acquisition fees and commissions	2,626	3,208	5,401
Recurring fees	357,804	313,828	629,198
Variable commissions	86,767	30,325	56,548
Other income	6,224	4,346	8,487
Insurance revenues	32,489	24,010	48,821
<b>Total revenues</b>	<b>485,911</b>	<b>375,716</b>	<b>748,454</b>
Commission expense	(185,661)	(168,869)	(336,195)
General overheads/Administrative expenses	(99,577)	(100,398)	(203,650)
Depreciation, amortisation/provisions	(9,164)	(7,632)	(15,763)
<b>Total costs</b>	<b>(294,402)</b>	<b>(276,900)</b>	<b>(555,608)</b>
<b>Operating income</b>	<b>191,509</b>	<b>98,817</b>	<b>192,846</b>
Profits from financial operations	11,825	(2,861)	(23,312)
Net Non operating costs	(4,430)	(1,004)	(6,238)
Interest expense	(4,992)	(3,689)	(7,414)
<b>Profit Before Taxation</b>	<b>193,913</b>	<b>91,264</b>	<b>155,882</b>
Income taxation	(16,998)	(14,282)	(24,836)
Deferred taxation	1,254	6,634	9,534
<b>Net Profit</b>	<b>178,168</b>	<b>83,616</b>	<b>140,580</b>
Minorities	7,143	11,033	18,434
<b>Consolidated Net Profit</b>	<b>171,025</b>	<b>72,584</b>	<b>122,146</b>

## CONSOLIDATED NET FINANCIAL POSITION

(Data in €/000)	30/06/2019	31/12/2018	30/06/2018
Due to banks	(198,274)	0	0
Securities issued	(350,858)	(354,166)	(350,440)
<b>Total debt</b>	<b>(549,132)</b>	<b>(354,166)</b>	<b>(350,440)</b>
Cash and cash equivalents	474,396	323,113	293,429
<b>Net Financial Position</b>	<b>(74,736)</b>	<b>(31,053)</b>	<b>(57,011)</b>
Lease Liabilities IFRS16 adoption	(48,318)		
<b>Net Financial Position including impact of IFRS 16</b>	<b>(123,054)</b>	<b>(31,053)</b>	<b>(57,011)</b>

## CONSOLIDATED INCOME STATEMENT

Data in €/000	30/06/2019	30/06/2018	31/12/2018
Fee and commission income	434,675	358,433	699,010
Fee and commission expense	(173,114)	(152,480)	(304,791)
<b>Net fee and commission income</b>	<b>261,561</b>	<b>205,953</b>	<b>394,219</b>
Dividends and similar income	0	0	3
Interest income and similar income	451	461	1,198
Interest expense and similar charges	(6,409)	(4,263)	(8,922)
Profits (losses) on disposal or repurchase of:	31	(12)	(9)
<i>b) financial assets at fair value through other comprehensive income</i>	31	(12)	(9)
Net gains (losses) on financial assets and financial liabilities at FVTPL	13,075	(2,427)	(22,138)
<i>a) assets and liabilities designated at fair value</i>	6,504	(1,063)	(13,666)
<i>b) other financial assets compulsorily measured at fair value</i>	6,571	(1,364)	(8,472)
Net premiums	879	797	2,111
Net profits (losses) on financial instruments at fair value through profit or loss	146,008	89,610	166,035
Change in technical reserve when the investment risk is borne by the insured parties	(7,621)	25,621	50,789
Redemptions and claims	(80,623)	(97,404)	(166,859)
<b>Net Margin</b>	<b>327,352</b>	<b>218,336</b>	<b>416,427</b>
Administrative expenses	(120,770)	(118,284)	(240,699)
<i>a) personnel expenses</i>	(53,019)	(48,764)	(97,608)
<i>b) other expenses</i>	(67,751)	(69,520)	(143,091)
Net accruals to the provisions for risks and charges	(3,575)	(3,156)	(4,280)
Net impairment losses/reversal of impairment losses on property and equipment	(5,328)	(1,182)	(2,295)
Net impairment losses/reversal of impairment losses on intangible assets	(5,337)	(5,241)	(12,522)
Other administrative income and expenses	1,391	763	(522)
<b>Operating Costs</b>	<b>(133,619)</b>	<b>(127,100)</b>	<b>(260,318)</b>
Profit (loss) on equity investments	180	28	190
<b>Pre-tax profit (loss) from continuing operations</b>	<b>193,913</b>	<b>91,264</b>	<b>156,299</b>
Income tax	(15,745)	(7,647)	(15,302)
<b>Net profit (loss) from continuing operations</b>	<b>178,168</b>	<b>83,617</b>	<b>140,997</b>
Profit (loss) for the period/year attributable to ended activities net of tax	0	0	(417)
Profit (loss) for the period/year attributable to minority interest	7,143	11,033	18,434
<b>Net profit (loss) for the period/year</b>	<b>171,025</b>	<b>72,584</b>	<b>122,146</b>

## CONSOLIDATED BALANCE SHEET

ASSETS (Data in €/000)	30/06/2019	31/12/2018	30/06/2018
Cash and cash equivalents	32	23	22
Financial assets at fair value through profit or loss	6,111,001	5,848,778	6,463,106
c) other financial assets at fair value	6,111,001	5,848,778	6,463,106
Financial assets at fair value through other comprehensive income	8,104	4,974	3,174
Financial assets at amortised cost	286,936	217,709	171,773
Equity investments	2,955	2,869	2,411
Tangible Assets	55,421	8,470	7,621
Intangible Assets	634,752	602,347	583,463
of which:	-	-	-
-Goodwill	549,017	525,976	513,449
Tax assets	68,544	74,879	76,327
a) current	15,341	21,887	25,612
b) prepaid	53,203	52,992	50,715
Not current assets and available for sale	-	300	-
Other assets	337,414	325,528	296,371
<b>Total Assets</b>	<b>7,505,159</b>	<b>7,085,877</b>	<b>7,604,268</b>

LIABILITIES (Data in €/000)	30/06/2019	31/12/2018	30/06/2018
Financial Liabilities at amortised cost	602,554	371,711	357,388
a) Payables	251,696	17,546	6,948
b) Outstanding securities	350,858	354,165	350,440
Technical reserves where the investment risk is borne by policyholders	184,689	177,068	202,236
Financial liabilities designated at fair value	5,758,337	5,582,010	6,150,274
Tax liabilities	74,114	72,505	74,944
a) current	6,412	4,356	5,740
b) deferred	67,702	68,149	69,204
Other Liabilities	242,764	217,527	198,898
Employees' severance	2,582	2,812	3,583
Provisions for risks and charges	40,695	37,787	37,441
b) other	40,695	37,787	37,441
Capital	32,324	32,324	32,324
Treasury shares (-)	(23,713)	(46,337)	(36,337)
Capital instruments	36,000	36,000	36,000
Share premium reserve	173,987	173,987	173,987
Reserves	199,458	288,003	289,984
Valuation provisions	(5,345)	(5,512)	(7,117)
Profit (Loss) for the period	171,025	122,146	72,584
Equity attributable to minority interests	15,688	23,846	18,079
<b>Total liabilities and shareholders equity</b>	<b>7,505,159</b>	<b>7,085,877</b>	<b>7,604,268</b>

## CONSOLIDATED CASH FLOW STATEMENT

Data in €/000	1H 2019	1H 2018	2018
<b>A. OPERATING ACTIVITIES</b>			
<b>1. Operating activities</b>	<b>317,372</b>	<b>79,561</b>	<b>85,618</b>
- net income for the period (+/-)	171,025	72,584	122,146
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value (-/+)	123,418	(13,797)	(63,878)
- gains/losses on hedging activities (-/+)	0	0	0
- value net adjustments for deterioration (+/-)	0	0	0
- value net adjustments on tangible and intangible assets (+/-)	10,665	6,423	14,817
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	3,575	3,156	4,280
- taxes (+)	5,084	7,647	8,026
- value net adjustments on disposing entities net of fiscal effect (+/-)	0	0	417
- other adjustments (+/-)	3,606	3,548	(190)
<b>2. Cash flow from financial assets</b>	<b>(306,445)</b>	<b>337,659</b>	<b>952,915</b>
- financial assets at fair value	(302,612)	421,181	1,081,723
- financial assets mandatorily measured at fair value	(4,786)	(99)	(626)
- financial assets at FVTOCI	(2,627)	0	(1,301)
- financial assets at amortised cost	3,301	438	(11,919)
- other assets	279	(83,862)	(114,962)
<b>3. Cash flow from financial liabilities</b>	<b>426,520</b>	<b>(484,148)</b>	<b>(1,042,773)</b>
- financial liabilities at amortised cost	227,237	(20,229)	(2,358)
- financial liabilities at fair value	176,327	(455,187)	(1,023,451)
- technical reserves	7,621	(25,621)	(50,789)
- other liabilities	15,335	16,889	33,825
<b>Total net operating cash flow generated/absorbed</b>	<b>437,448</b>	<b>(66,927)</b>	<b>(4,240)</b>
<b>B. INVESTMENT ACTIVITIES</b>			
<b>1. Cash flow generated by</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Cash flow absorbed by</b>	<b>(90,107)</b>	<b>(33,062)</b>	<b>(61,457)</b>
- acquisition of equity investments	(86)	(1,068)	(1,336)
- acquisition of tangible assets	(52,279)	(700)	(2,662)
- acquisition of intangible assets	(14,701)	(17,149)	(30,787)
- purchase of subsidiaries and business units	(23,041)	(14,145)	(26,672)
<b>Total net cash flow generated/absorbed from investment activities</b>	<b>(90,107)</b>	<b>(33,062)</b>	<b>(61,457)</b>
<b>C. FINANCING ACTIVITIES</b>			
- issue/sale of treasury shares	22,624	(30,066)	(40,070)
- issue/sale of capital instruments	0	0	0
- dividends paid and others	(206,511)	(208,842)	(229,311)
- other reserves	(4,013)	135,153	155,250
- sale/acquisitions of non-controlling interests	(8,158)	(1,513)	4,254
<b>Total net cash flow generated/absorbed from financing activities</b>	<b>(196,058)</b>	<b>(105,268)</b>	<b>(109,877)</b>
<b>TOTAL NET CASH FLOW GENERATED/ABSORBED IN THE PERIOD</b>	<b>151,283</b>	<b>(205,257)</b>	<b>(175,574)</b>
<b>Reconciliation</b>			
	<b>1H 2019</b>	<b>1H 2018</b>	<b>2018</b>
Opening cash and cash equivalents	323,113	498,686	498,686
Cash flow generated/absorbed during the period	151,283	(205,257)	(175,574)
Closing cash and cash equivalents	474,396	293,429	323,113