

## Azimut Holding: 1H 2017 Results Second best half-yearly Net Profit in the Group's history

### In the 1H 2017:

- Consolidated normalised net profit<sup>(1)</sup>: € 126 million (+87% vs. 1H 2016)
- Consolidated total revenues: € 415 million (+33% vs. 1H 2016)

### In the 2Q 2017:

- Consolidated normalised net profit<sup>(1)</sup>: € 54 million (+13% vs. 2Q 2016)
- Consolidated total revenues: € 201 million (+12% vs. 2Q 2016)

Milan, 27 July 2017

The Board of Directors of Azimut Holding SpA (AZM.IM) approved today the 1H 2017 results, whose main figures are summarised below:

- **Total Revenues** equal to € 415.4 million (vs. € 312.5 million in 1H16)
- **Operating Profit** equal to € 149.8 million (vs. € 72.8 million in 1H16)
- **Net Profit** equal to € 121.2 million (vs. € 67.8 million in 1H16)
- **Normalised Net Profit<sup>(1)</sup>** equal to € 126.5 million (vs. € 67.8 million in 1H16)

Total **Managed Assets** at the end of June 2017 were € 38.4 billion, and including assets under custody and third parties' funds reached **€ 47.2 billion**. **Net inflows** for the first six months were ca. **€ 3.4 billion**, also thanks to the consolidation and organic growth of our foreign JVs whose **weight on Total Assets has now hit 21%**.

**Net Financial Position** at the end of June 2017 is positive for **€ 34.8 million** (compared to € 192.2 million at the end of December 2016 and € 194.3 million at the end of June 2016). The NFP includes the impact of ca. € 133 million ordinary dividends paid, ca. € 50 million share buybacks and ca. €15 million of acquisitions abroad during this first half.

Recruitment of **financial advisors and private bankers** remained positive: **in the first half of 2017** Azimut and its networks recorded **36 new hires**, bringing the total number of FAs to 1626.

Sergio Albarelli, CEO of Azimut Holding, comments: *"We are proud to present the **second best semester of the Group's history**, confirming yet again that our business model is able to provide successful investment and advisory solutions in any market condition. The figures in this second quarter show that our **cost control exercise is well on track**, with operating expenses growing less than proportionally compared to revenues, leading to a clear operating leverage and net profit improvement. We continue with our long term growth project and we look with confidence at the future, also thanks to the **strong compactness that characterizes our Group**, as demonstrated by the **voluntary share purchase plans on Azimut Holding shares currently being executed by almost 1,200 colleagues**, including financial advisors, portfolio managers, employees and top management."*

Note (1): normalized for ca. €5.3m of extraordinary costs related to the convertible bond buyback in the 2Q17.

The Officer in charge of the preparation of Azimut Holding SpA accounting documents, Alessandro Zambotti (Finance Director), 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.

**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 and of the Eurostoxx 600. The shareholder structure includes over 1,400 managers, employees and financial advisors, bound by a shareholders' agreement that controls over 15% 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, Luxembourg, Ireland, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Brazil, Singapore, 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 Global Counseling provides consulting services. 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.

**AZIMUT HOLDING SpA – [www.azimut-group.com](http://www.azimut-group.com)**

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## CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Data in €/000)	1H 2017	1H 2016	2016
Acquisition fees and commissions	6,232	3,300	9,826
Recurring fees	299,068	240,523	518,866
Variable commissions	81,618	46,317	130,770
Other income	4,478	3,968	7,611
Insurance revenues	24,006	18,380	38,575
<b>Total revenues</b>	<b>415,402</b>	<b>312,488</b>	<b>705,648</b>
Commission expense	(169,657)	(160,821)	(325,436)
General overheads/Administrative expenses	(88,268)	(73,074)	(158,984)
Depreciation, amortisation/provisions	(7,635)	(5,824)	(15,920)
<b>Total costs</b>	<b>(265,560)</b>	<b>(239,719)</b>	<b>(500,340)</b>
<b>Operating income</b>	<b>149,842</b>	<b>72,769</b>	<b>205,308</b>
Profits from financial operations	(9,440)	315	(3,033)
Net Non operating costs	(2,256)	(1,895)	(6,323)
Interest expense	(5,891)	(5,505)	(11,063)
<b>Profit Before Taxation</b>	<b>132,255</b>	<b>65,684</b>	<b>184,889</b>
Income taxation	(10,350)	(9,633)	(19,281)
Deferred taxation	3,387	12,309	11,696
<b>Net Profit</b>	<b>125,292</b>	<b>68,359</b>	<b>177,304</b>
Minorities	4,133	593	4,619
<b>Consolidated Net Profit</b>	<b>121,159</b>	<b>67,766</b>	<b>172,685</b>

## CONSOLIDATED NET FINANCIAL POSITION

Data in €/000	30/06/2017	31/12/2016	30/06/2016
Due to banks	(10,000)	(20,051)	(20,000)
Securities issued	(350,125)	(226,522)	(223,723)
<b>Total debt</b>	<b>(360,125)</b>	<b>(246,573)</b>	<b>(243,723)</b>
Cash and cash equivalents	394,919	438,832	438,066
<b>Net Financial Position</b>	<b>34,794</b>	<b>192,259</b>	<b>194,343</b>

## CONSOLIDATED INCOME STATEMENT

(Data in €/000)	1H 2017	1H 2016	2016
Commission income	395,525	297,909	675,633
Commission expense	(154,292)	(144,999)	(293,897)
<b>Net Commissions</b>	<b>241,233</b>	<b>152,910</b>	<b>381,736</b>
Dividends and equivalents	255	0	257
Interest income and equivalents	429	679	1,509
Interest expenses and equivalents	(6,527)	(5,730)	(11,723)
Profit/losses from the sale of:	(7,273)	893	1,733
<i>a) financial assets available for sale</i>	644	900	1,739
<i>b) financial liabilities</i>	(7,917)	(7)	(6)
Net result of financial assets and liabilities at fair value	(2,013)	(882)	(4,851)
Insurance net premium income	2,274	727	2,618
Net income (loss) from financial assets at fair value entered on the P&L account	118,811	57,369	132,815
Change in technical provisions when the investment risk is borne by the insured parties	11,370	29,865	29,885
Surrenders and claims	(113,233)	(73,070)	(134,445)
<b>Net Margin</b>	<b>245,326</b>	<b>162,761</b>	<b>399,533</b>
Administrative expenses	(103,559)	(88,348)	(192,513)
<i>a) personnel expenses</i>	(40,166)	(33,633)	(72,485)
<i>b) other expenses</i>	(63,393)	(54,715)	(120,028)
Value net adjustments on tangible assets	(1,230)	(1,019)	(2,508)
Value net adjustments on intangible assets	(6,213)	(4,934)	(13,655)
Provisions for risks and charges	(2,244)	(3,095)	(5,844)
Other administrative income and expenses	174	318	564
<b>Gross operating profit</b>	<b>132,254</b>	<b>65,683</b>	<b>185,578</b>
Profit (loss) on equity investments	0	0	(689)
<b>Profit (Loss) before tax</b>	<b>132,254</b>	<b>65,683</b>	<b>185,578</b>
Income tax	(6,962)	2,676	(7,586)
<b>Net profit (Loss)</b>	<b>125,292</b>	<b>68,359</b>	<b>177,992</b>
Minorities	4,133	593	4,619
<b>Consolidated net profit (loss)</b>	<b>121,159</b>	<b>67,766</b>	<b>173,374</b>

## CONSOLIDATED BALANCE SHEET

ASSETS (data in €/000)	30/06/2017	31/12/2016	30/06/2016
Cash and cash equivalents	24	21	31
Financial assets at fair value	6,761,701	6,447,427	5,982,336
Financial assets available for sale	270,347	276,963	323,416
Credits	155,791	189,305	152,492
<i>a) for asset management</i>	62,685	90,219	56,159
<i>b) other</i>	93,106	99,086	96,333
Equity investments	10,216	935	2,914
Tangible assets	8,963	7,219	7,698
Intangible assets	526,013	514,342	481,252
Tax assets	79,689	81,949	89,028
<i>a) current</i>	29,021	35,878	50,725
<i>b) prepaid</i>	50,668	46,071	38,303
Other assets	230,005	209,114	189,414
<b>Total Assets</b>	<b>8,042,749</b>	<b>7,727,276</b>	<b>7,228,581</b>

LIABILITIES (Data in €/000)	30/06/2017	31/12/2016	30/06/2016
Debts	18,845	28,283	24,552
Bonds issued	350,125	226,522	223,723
Technical provisions when the investment risk is borne by the insured parties	239,604	250,974	250,994
Other technical provisions	350	350	350
Financial liabilities at fair value	6,624,196	6,299,036	5,809,292
Tax liabilities	61,765	59,401	65,588
<i>a) current</i>	2,590	1,443	9,441
<i>b) deferred</i>	59,175	57,958	56,147
Other liabilities	173,104	182,975	137,574
Employee severance indemnities	2,897	3,403	3,429
Provision for risks and charges	32,018	31,265	29,135
<i>b) other</i>	32,018	31,265	29,135
Capital	32,324	32,324	32,324
Treasury shares (-)	(131,087)	(81,288)	(81,835)
Capital instruments	36,000	70,951	71,353
Share premium reserve	173,987	173,987	173,987
Reserves	292,448	263,107	415,454
Valuation provisions	(6,215)	(4,674)	(9,909)
Profit (Loss) for the period	121,159	172,685	67,766
Equity attributable to minority interests	21,229	17,975	14,804
<b>Total liabilities and shareholders equity</b>	<b>8,042,749</b>	<b>7,727,276</b>	<b>7,228,581</b>

## CONSOLIDATED CASH FLOW STATEMENT

(Data in €/000)	1H17	1H16	2016
<b>A. OPERATING ACTIVITIES</b>			
<b>1. Operating activities</b>	<b>143,019</b>	<b>14,280</b>	<b>134,755</b>
- net income for the period (+/-)	121,159	68,359	172,685
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value (-/+)	18,059	(56,483)	(58,942)
- value net adjustments on tangible and intangible assets (+/-)	7,443	5,953	16,163
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	2,244	3,095	5,844
- taxes (+)	(4,649)	(6,757)	(1,702)
- other adjustments (+/-)	(1,237)	113	707
<b>2. Cash flow from financial assets</b>	<b>(339,131)</b>	<b>(328,217)</b>	<b>(787,765)</b>
- financial assets at fair value	(332,333)	(267,531)	(730,163)
- financial assets held for sale	(1,504)	(711)	(3,052)
- receivables from banks	1,309	(791)	(1,225)
- receivables from other financial institutions	1,798	(758)	1,056
- receivables from clients	(5,387)	1,411	(3,716)
- other assets	(3,013)	(59,837)	(50,665)
<b>3. Cash flow from financial liabilities</b>	<b>408,717</b>	<b>312,057</b>	<b>839,055</b>
- due to banks	(12,708)	(10,199)	(6,625)
- due to other financial institutions	3,038	(285)	(8)
- due to clients	181	42	(27)
- securities issued	124,891	1,880	4,679
- financial liabilities at fair value	325,160	369,429	859,173
- technical reserves	(11,370)	(29,865)	(29,885)
- other liabilities	(20,475)	(18,946)	11,748
<b>Total net operating cash flow generated/absorbed</b>	<b>212,606</b>	<b>(1,880)</b>	<b>186,045</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>(30,138)</b>	<b>(39,433)</b>	<b>(80,593)</b>
- acquisition of equity investments	(9,280)	(261)	(821)
- acquisition of tangible assets	(2,974)	(2,518)	(3,528)
- acquisition of intangible assets	(5,640)	(8,250)	(16,069)
- acquisition of controlled entities	(12,244)	(28,404)	(60,175)
<b>Total net cash flow generated/absorbed from investment activities</b>	<b>(30,138)</b>	<b>(39,433)</b>	<b>(80,593)</b>
<b>C. FINANCING ACTIVITIES</b>			
- issue/sale of treasury shares	(49,799)	(1,108)	(1,791)
- other reserves	(12,325)	(8,518)	(21,564)
- capital and third party reserves	3,254	3,863	7,627
- issue/sale of capital instruments	(34,951)	(106)	-508
- dividends paid and others	(132,560)	(102,967)	(238,599)
<b>Total net cash flow generated/absorbed from financing activities</b>	<b>(226,381)</b>	<b>(108,836)</b>	<b>(254,835)</b>
<b>Total net cash flow generated/absorbed during the period</b>	<b>(43,913)</b>	<b>(150,149)</b>	<b>(149,383)</b>
<b>RECONCILIATION</b>			
	<b>1H17</b>	<b>1H16</b>	<b>2016</b>
Opening cash and cash equivalents	438,832	588,215	588,215
Cash flow generated/absorbed during the period	(43,913)	(150,149)	(149,383)
Closing cash and cash equivalents	394,919	438,066	438,832