1H19 Results

fire away…

ANIMA

Milan, 29 July 2019

1H19 - Table of contents

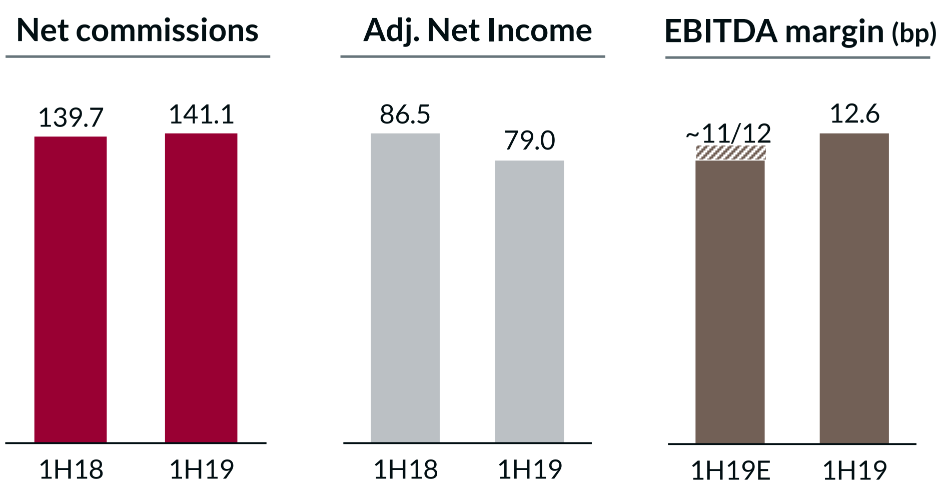
01

ANIMA… who

Highlights

«new» ANIMA, «old» skills: a problem solver and fee generator, with a distinctive attitude of service company strongly linked to its distributors through long term strategic partnerships

- AuM reached the highest level thanks to the strong ytd recovery in most asset classes
- Improving trend for net new money both in the retail business and in the insurance component towards the end of Q2
- "Recurrent" EBITDA margin (excluding performance fees) above guidance

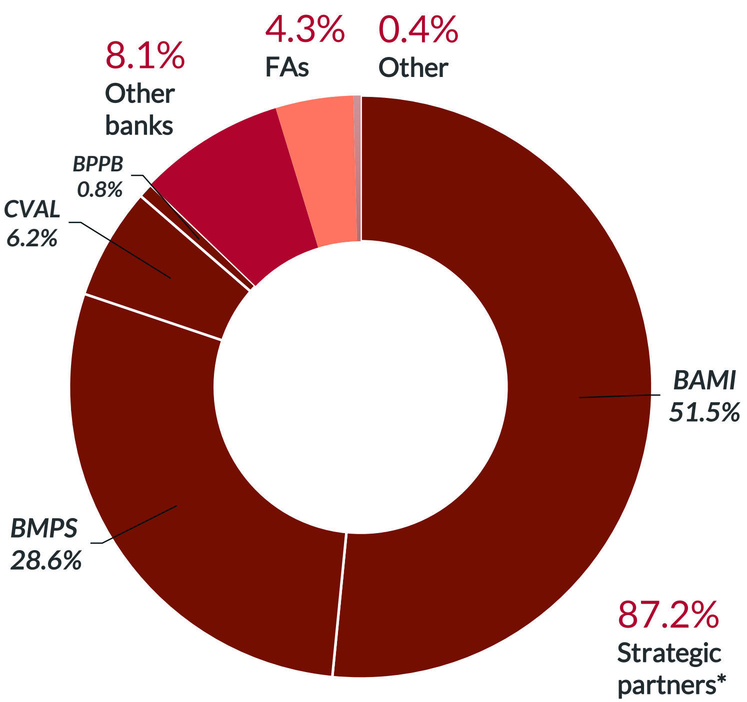


180.6	**AuM (€bn)** +4% vs. 2018FY
-0.5	**Net New Money (€bn)**
141.1	**Net commissions (€m)** +1% vs. 1H18
63.4	**Net Income (€m)** -10% vs. 1H18
79.0	**Adj. Net Income (€m)** -9% vs. 1H18

Business by segment

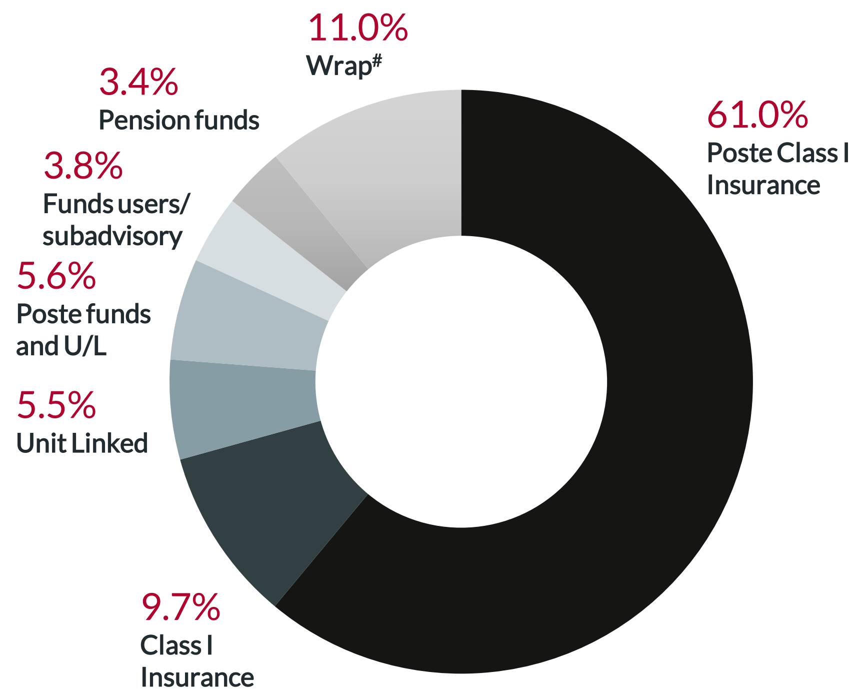
Retail

30% AuM = €54.5bn



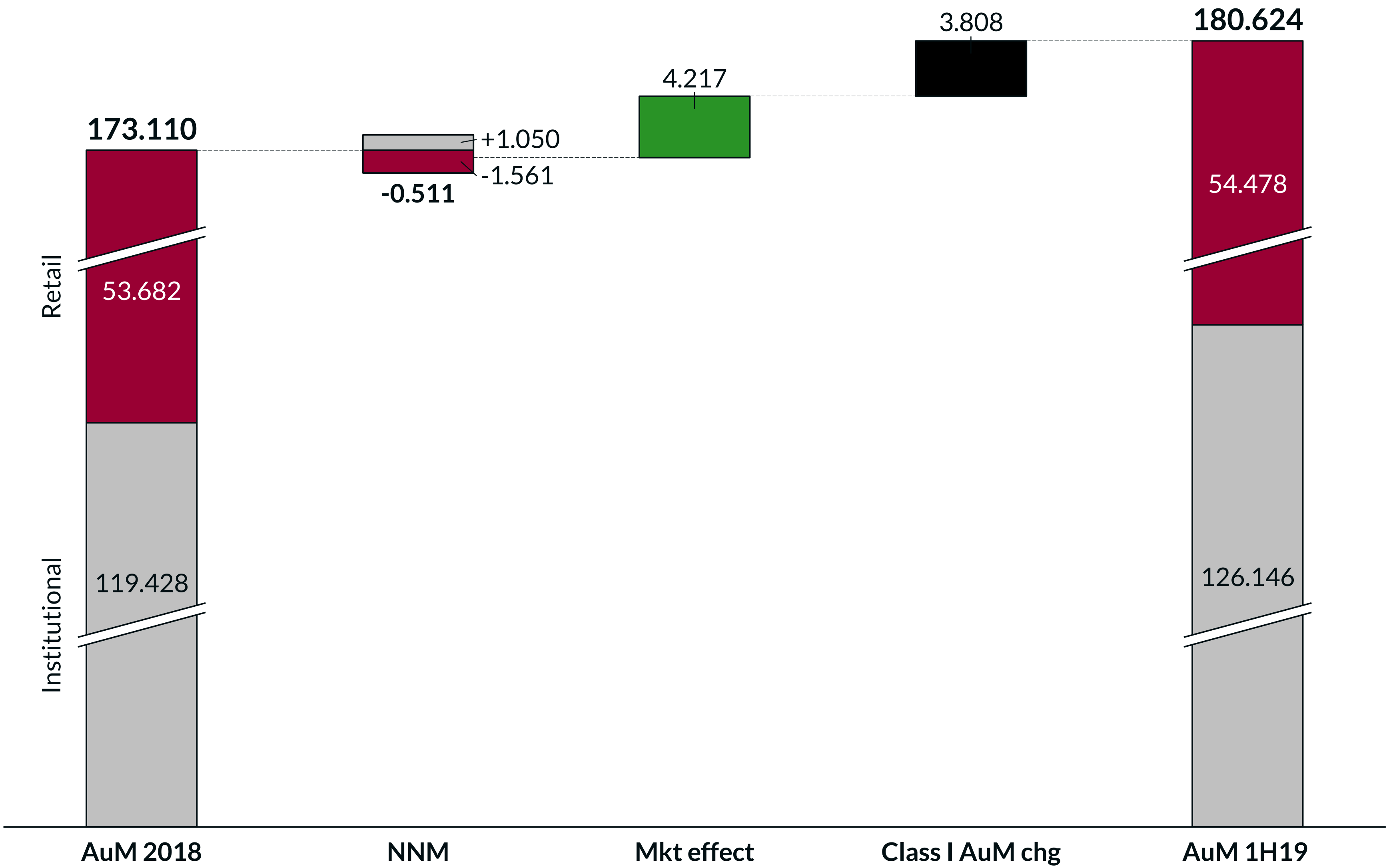
Institutional

70% AuM = €126.1bn



Source: ANIMA as of 30-Jun-2019 *Includes BMPS, Banco BPM, Cre.Val. and BPPB # Wrap: Anima funds invested by other products managed by Anima

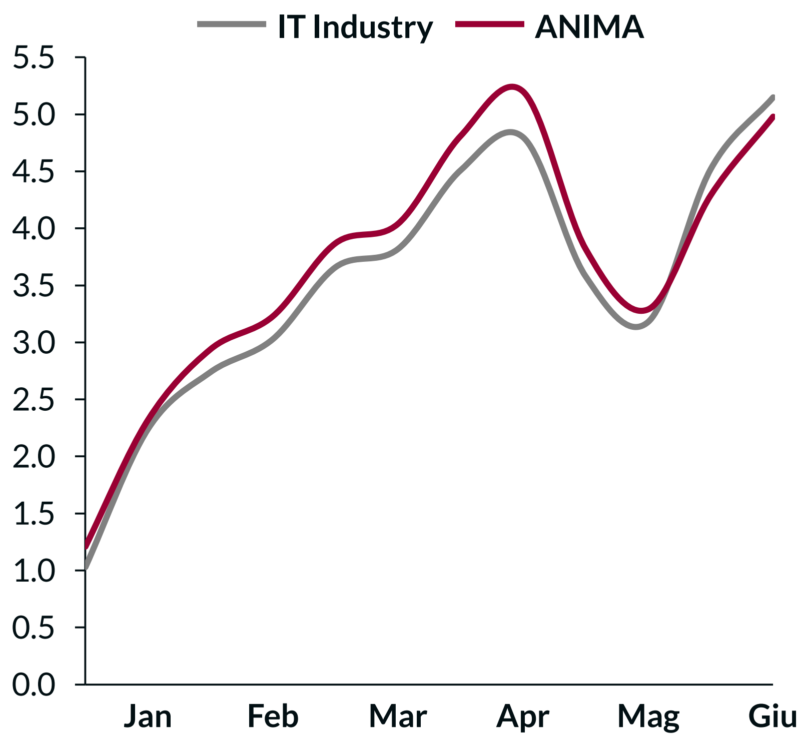
1H19 AuM evolution



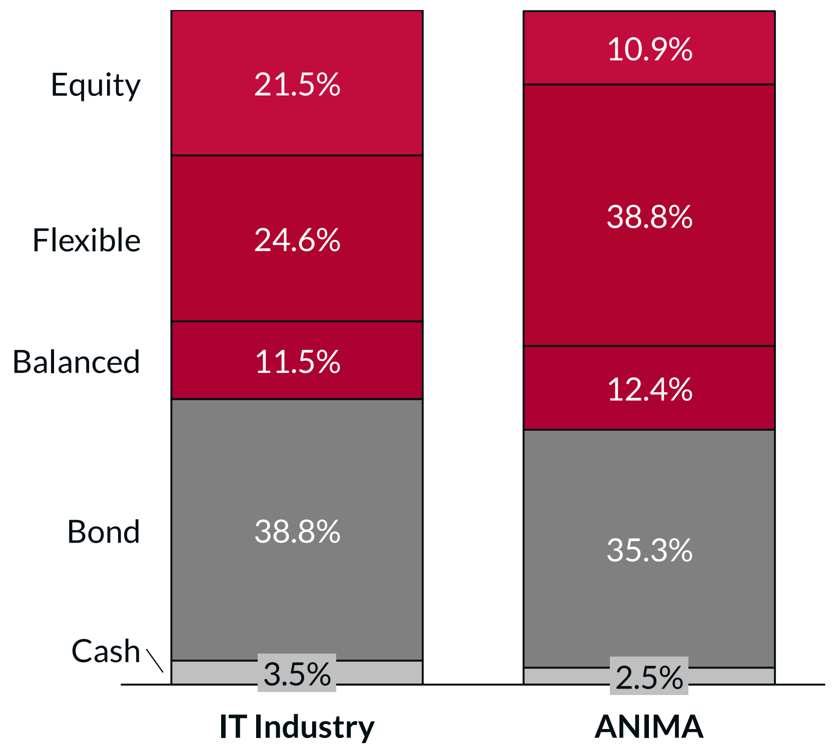
Source: ANIMA, data in € bn   Net new money excluding Class I mandates

Mutual funds' investment performance

1H19 WAP



1H19 funds' breakdown by category



Source: ANIMA - Bloomberg (FIDMGEND Index for Italian Industry)

Source: ANIMA - ASSOGESTIONI for IT Industry funds breakdown by category

02

ANIMA… how much

P&L overview

€m	1H19	1H18	%	2018
Net commissions	152.935	151.469		303.588
Performance fees	9.595	17.988		20.318
Total revenues	**162.530**	**169.458**	*-4%*	**323.906**
Personnel cost	(22.436)	(22.656)		(41.581)
o/w fixed	*(16.284)*	*(17.427)*		*(33.504)*
o/w variable	*(6.152)*	*(5.229)*		*(8.076)*
Other expense	(19.146)	(21.019)		(41.829)
Total expense	**(41.582)**	**(43.675)**		**(83.410)**
EBITDA	**120.948**	**125.783**	*-4%*	**240.496**
Non recurring costs	(442)	(3.435)		(7.881)
LTIP expense	(4.165)	-		(3.336)
Other income/(cost)	2.915	0.559		0.417
D&A	(26.692)	(21.286)		(47.465)
EBIT	**92.564**	**101.621**	*-9%*	**182.231**
Net financial charges	(5.761)	(3.877)		(8.644)
PBT	**86.803**	**97.744**	*-11%*	**173.587**
Income tax	(23.424)	(27.670)		(51.530)
Net income	**63.379**	**70.074**	*-10%*	**122.057**
Adjusted net income	**78.970**	**86.489**	*-9%*	**163.232**

bps/avg AuM	1H19	1H18	2018
Retail	28.7	30.9	30.5
Institutional	10.3	27.8	18.7
Average	**15.9**	**29.7**	**24.4**
AuM EoP (€bn)	*180.6*	*92.6*	*173.1*

- Average margin reflecting the full integration of large institutional volumes, in line with the guidance provided in 2018

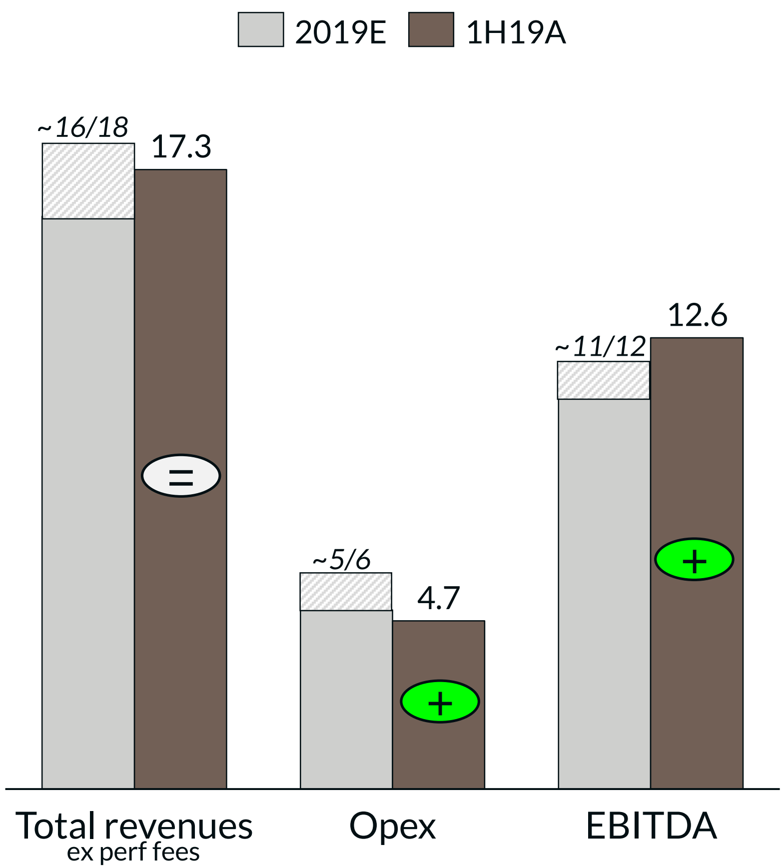
Cost/income	1H19	1H18	2018
on total revenues	25.6%	25.8%	25.8%
ex performance fees	27.2%	28.8%	27.5%

- Strong commitment and consistency in keeping a low cost/income
- Tax rate increase (mainly due to concentration of investment management activities in Italy and elimination starting from 2019FY of previous tax deductions) mitigated by one-off tax relief on goodwill
- Increase in D&A due to acquisition of BAMI insurance mandates (3Q18) and to Poste Class I deal (4Q18)

P&L ratio analysis
H1 actual results show further improvement vs. guidance provided in 1Q18

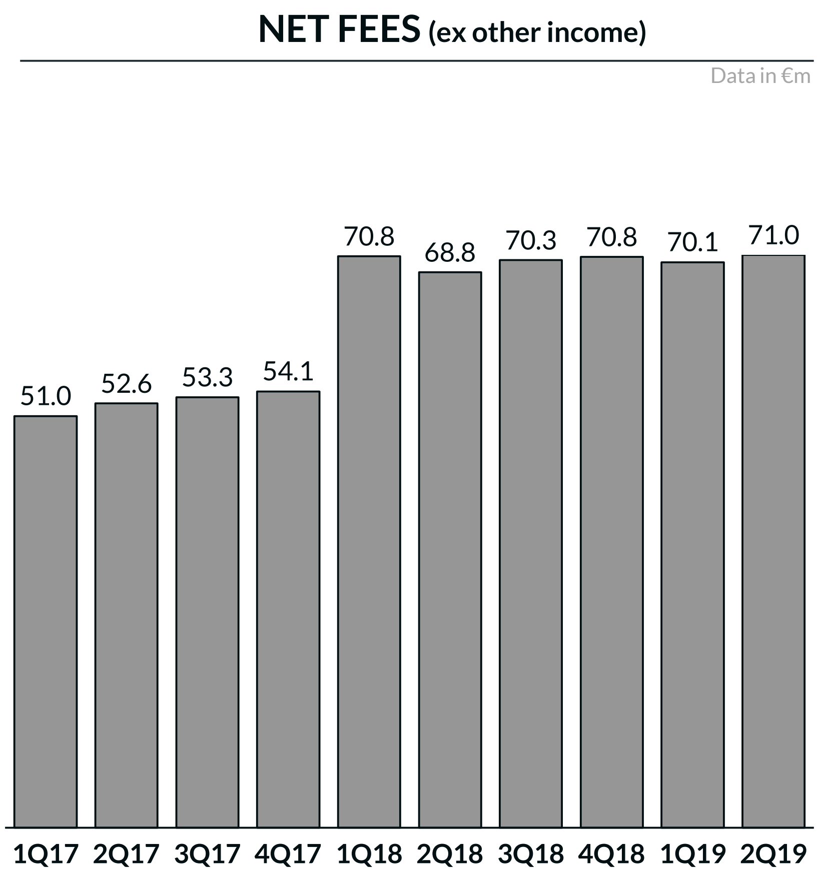
- Revenue margin is in line with the upper part of the expected range even if in 1H19 we had:
  - limited contribution of placement fees (reducing retail margin) both due to certain seasonality and lower gross flows
  - strong market effect also in the institutional segment with lower margins "optically" diluting the top line (AuM of Class I mandates is higher by €2.7bn Q2/Q1 2019)
- Better than expected results already recorded in the cost control, considering that synergies from the merger of Aletti into Anima will be fully phased-in as of 2020
- As a result, **"recurrent" EBITDA is above guidance**, and remaining very high (above 70% of net commissions excluding performance fees)
- Performance fees cashed are additional to the top line, even if accrual for variable compensation (including for PMs) is included in the operating expense line

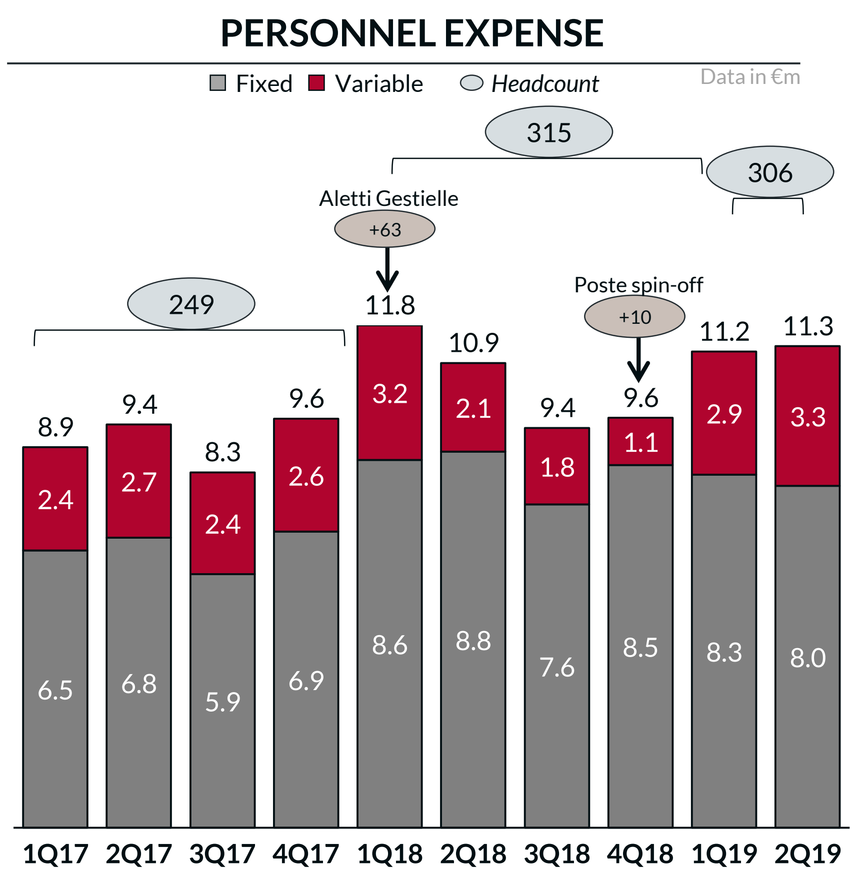
KEY P&L RATIOS (bps/avg AuM)



Focus on net fees and personnel cost

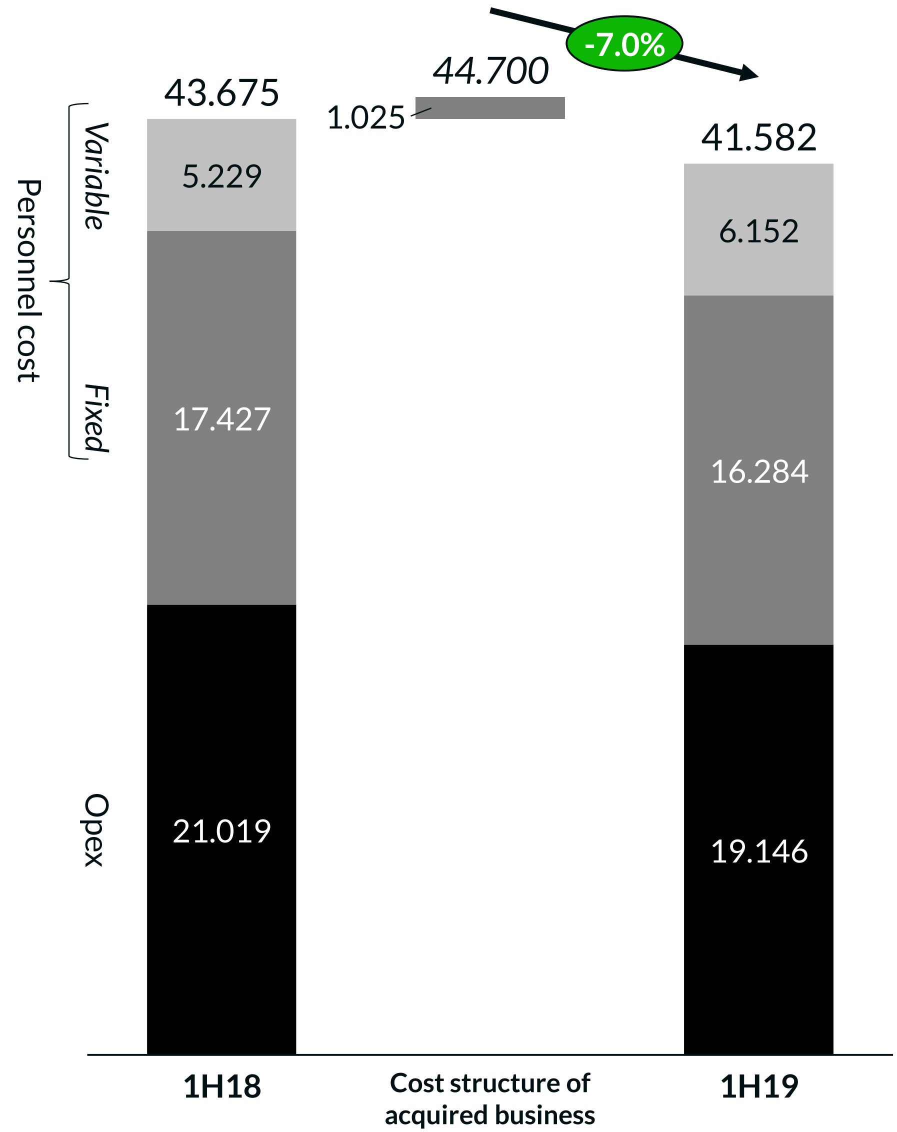
- Changes in the perimeter offsetting the lower yoy placement fees and the contribution to revenues of a large institutional mandate expired during 2Q18
- Fixed component declining due to lower headcount related to synergies on acquisitions





Focus on cost efficiency

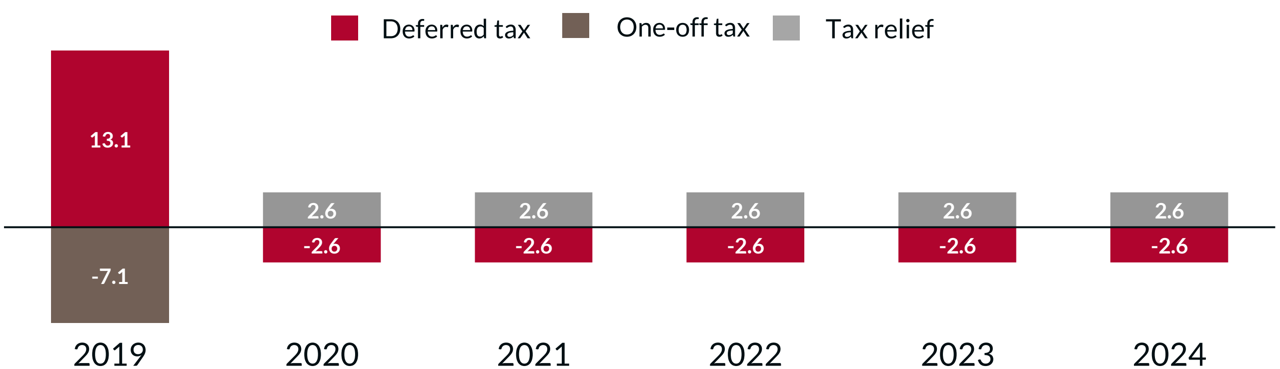
- The decrease of total expense is 7% on a like for like basis, i.e. with the impact of the acquisitions carried out after 1H18:
    - the opex in connection with the BAMI insurance mandates (~4/500K€ on a yearly basis in the accounts as of 3Q18) and
    - the costs on a yearly basis linked to the Poste Class I business (€1.6m between personnel and opex, in the accounts as of 4Q18)
- Looking at the three components of the expense, the main difference comes from opex, with almost all items down yoy (outsourcing, rent and utilities, consultancies, info provider…)



2019 positive one-off tax relief on Goodwill

- On November 1st , 2018 ANIMA Sgr incorporated the spin-off of Class I insurance mandates previously managed by BancoPosta
- The purchase price of €120m determined in the balance sheet, according to *IFRS3 Business Combination:*
  - *€44.3m goodwill*
  - *€106.9m defined life intangibles (to be amortised over the following 15 years), generating €31.6m deferred tax liability**
- Fiscal rules currently foresee the possibility to consider goodwill arising from a business combination as fiscally deductible over 5 years, through a one-off upfront 16% taxation
- As a consequence, 1H19 recorded on the one side the one-off €7.1m tax cash-out in June, on the other hand deferred tax assets equal to the expected tax relief (€13.1m tax saving on €44.3m goodwill)

- Such tax relief creates a **positive impact on 2019FY net profit for €6.0m, already fully accounted in Q2 in the reported net income for the period.** Adjusted net income is not affected by this one-off



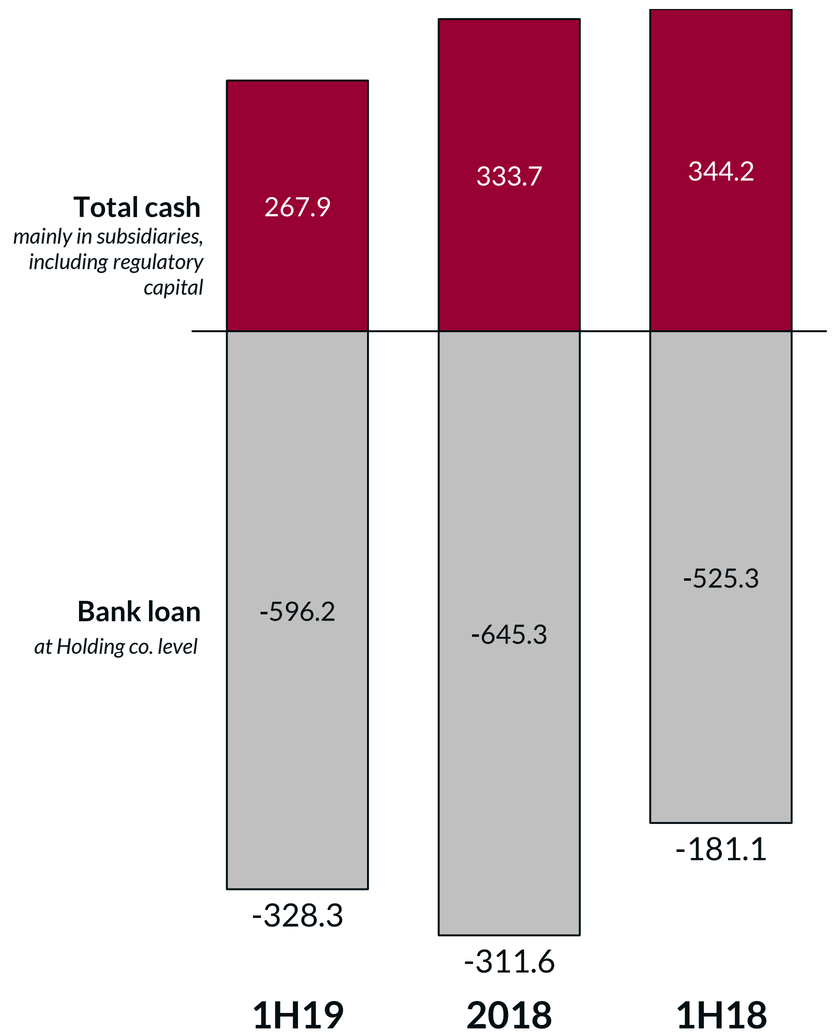
	€m
Goodwill	44.3
16% one-off tax	(7.1)
Tax relief* over 5ys	13.1
2019 change in net profit	**6.0**

**determined using the current 24% corporate tax rate (IRES) and 5.57% Regional tax rate (IRAP)*

Consolidated net financial position

€m	1H19	2018	1H18
Bank loan	(596.2)	(645.3)	(525.3)
TOTAL DEBT	**(596.2)**	**(645.3)**	**(525.3)**
Cash	174.5	243.4	252.1
Securities	89.3	88.6	92.1
Perf. fee receivable	4.0	1.6	-
TOTAL CASH & EQUIVALENT	**267.9**	**333.7**	**344.2**
CONSOLIDATED NFP	**(328.3)**	**(311.6)**	**(181.1)**

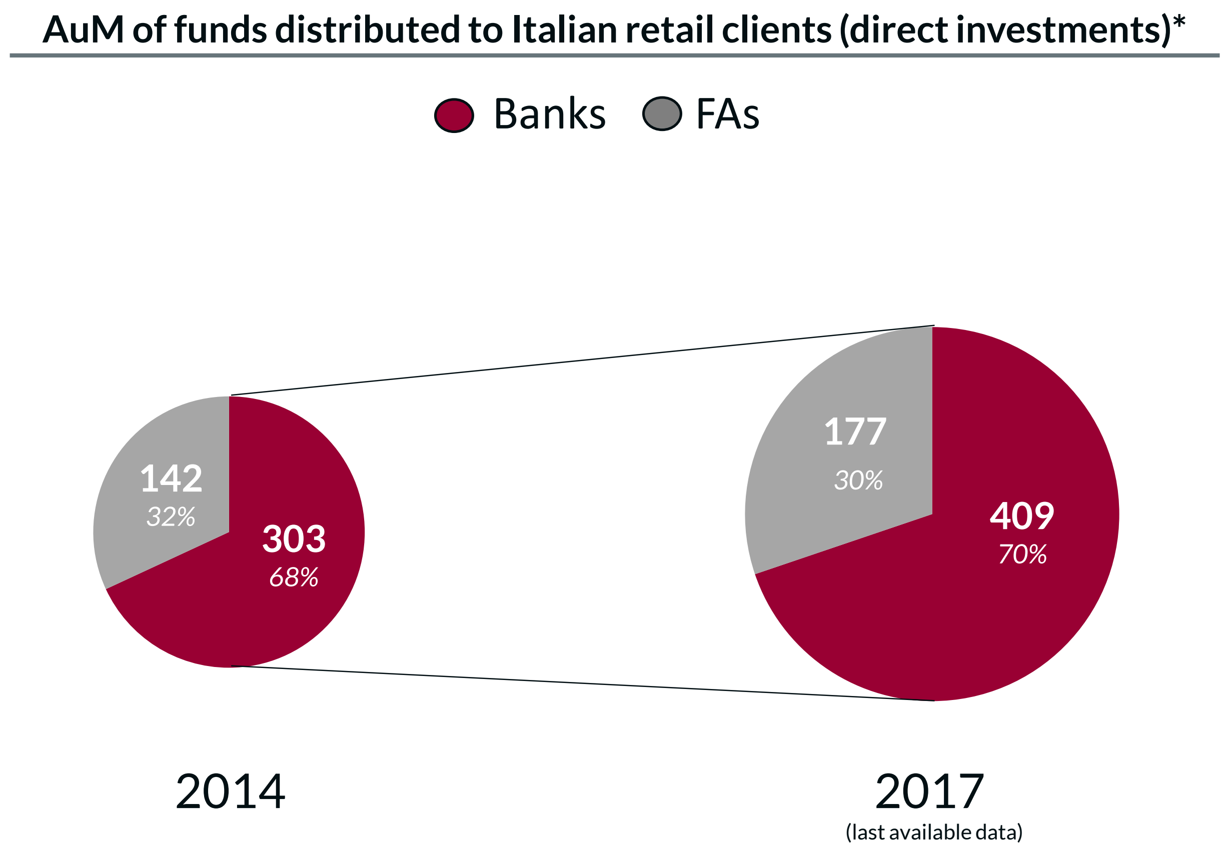
- Gross debt entirely at Holding level, whereas cash is generated by subsidiaries and moved to the Holdco through dividends
- NFP reflects the €41m spent for a 3% shares buyback completed in April
- Capital repayment of the bank loan in June 2019 for ca. €50m
- €7.1m payment for the tax relief on goodwill also in June 2019



Source: ANIMA

03
ANIMA… why

Back to fundamentals: are you sure banks lost ground?



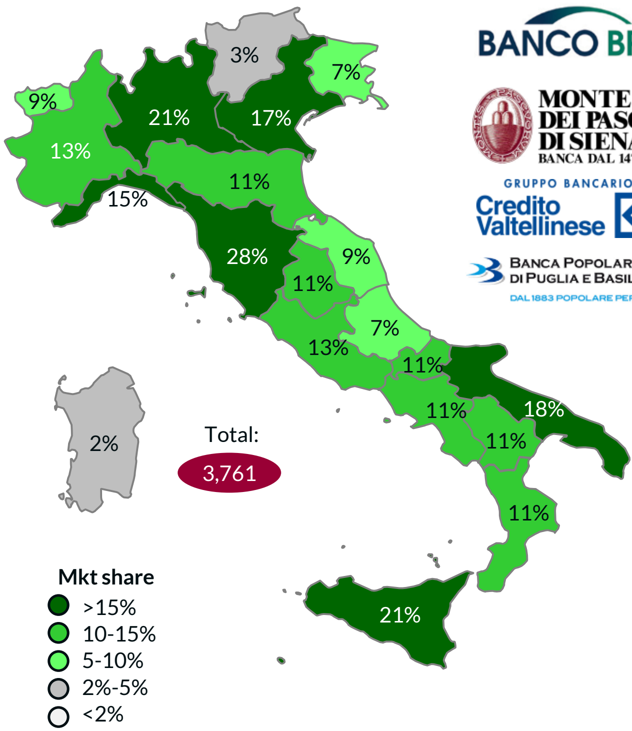
In the recent years, banks outperformed FA networks in the distribution of mutual funds to Italian retail investors, increasing the market share from 68 to 70%

**Source: Assogestioni – May 2019 Key facts; data in €bn*

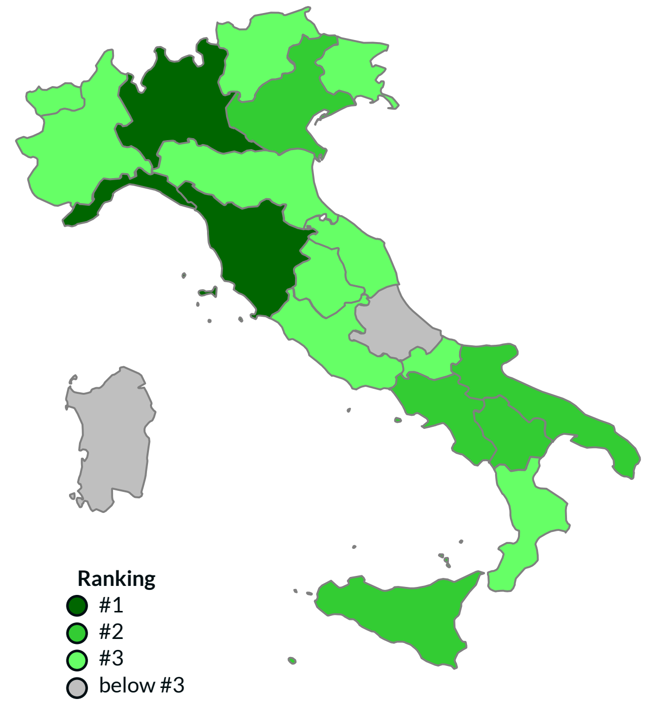
ANIMA

A unique positioning in a market dominated by banks…

ANIMA – Strategic Partners' network



Ranking by market share*

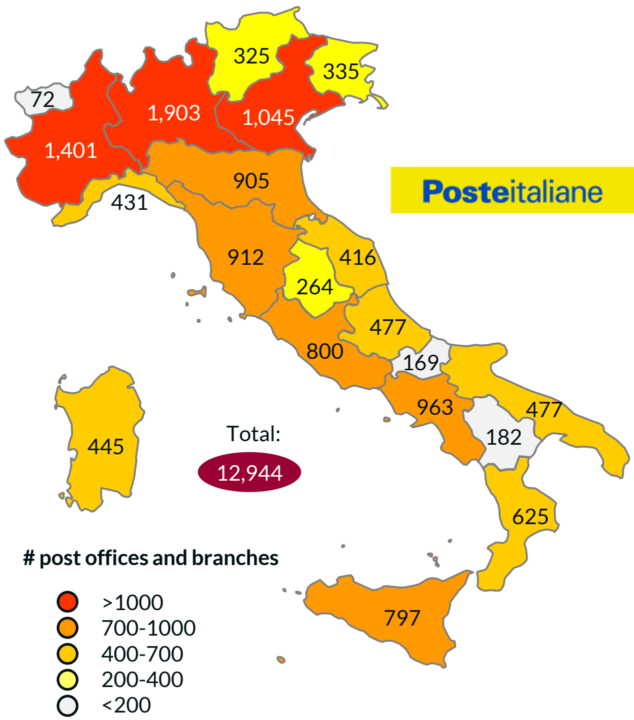


ANIMA has a strategic partnership currently leveraging more than 15% of all branches in Italy, with significant presence in the wealthiest areas and access to around 9 million customers

**ANIMA market share of bank branches as opposed to that of the 5 individual largest banking Groups (UCG, ISP, BPER, UBI, BNL-BNP)*

…enhanced by the Poste network plus the open channel

Post offices and branches



Long-term commercial agreement (15 years) with Poste Italiane giving access to the largest distribution network in Italy (covering almost 100% of all Italian municipalities)

Other banks and FAs

FINECO BANK
CARIPARMA CRÉDIT AGRICOLE
FRIULADRIA CRÉDIT AGRICOLE
widiba NO ORDINARY BANK
Deutsche Bank
Banco Desio
UBI Banca
Civi Bank Vicini di Banca
Volksbank Banca Popolare
BANCA DI PIACENZA LA NOSTRA BANCA
BIVERBANCA CASSA DI RISPARMIO DI BIELLA E VERCELLI
Unipol BANCA
CASSA DI RISPARMIO DI VOLTERRA Spa
BANCA C.R.ASTI
BANCA POPOLARE DI BARI
CheBanca! Gruppo Mediobanca
BANCA GENERALI
FIDEURAM INTESA SANPAOLO PRIVATE BANKING
Allianz Bank Financial Advisors
SANPAOLO INVEST
Finanza & Futuro Gruppo Deutsche Bank

Over 80 distribution agreements with other banks or Financial Agents' networks complete ANIMA's reach of retail customers

It's not all about M&A… (it never was btw)

We always conceived M&A as an accelerator of organic growth

Embarking on M&A is therefore a wish, **not a must**

- Looking backwards, all M&A deals were **industrial transactions** allowing ANIMA to:
  - a) enlarge the distribution network to support and boost future organic growth
  - b) strengthen investment capabilities and commercial relationships
  - c) generate significant synergies

- All M&A deals had in the strict **pricing discipline** the main feature, so that we realised many of the most relevant transactions in the AM space in Italy in the past 10 years, but we also gave up others whereby we were not able to structure clearly **earnings accretive** deals for our shareholders

- Looking forward, there is no reason to doubt we will adopt the same approach; considering for the time being **our current multiples** widely divergent from our fundamentals, this is an additional important aspect to be taken into consideration when analysing new potential transactions

Last but not least, we retain capacity for additional leverage

Closing remarks

Based on the recent business trend, we believe **we reached an inflection point** for:

- **Flows**: we are experiencing a clear improvement in the dynamics of the retail flows, and also the expected regularisation of the insurance activity (especially in the U/L business). The guidance for the full year NNM remains challenging, but not impossible to be achieved if the macro environment remains benign
- **Financials**: Q2 figures continue to show progression both in the top line due to higher AuM and in the cost structure (with synergies being slightly higher and faster than anticipated). With supportive markets, many funds also with large AuM are now again above the historical HWM, giving us better visibility for performance fee generation (even if in our P&L it remains in the region of 5-10% of total revenues)

These results leave us with an **improved sentiment for the rest of the year** (and beyond), which we always had considering we operate in a cyclical industry and we learned to be patient; we trust you can share our mood, based on the evidence provided by figures

As management, we remain fully committed in keeping under control -and improving- what lies in our hands (cost structure, product innovation, ongoing support to distributors and financial flexibility, keeping eyes open for M&A…); above all this, we continue to testify our confidence and trust in ANIMA's fundamentals with our personal investments in the shares of the company

Anima Holding spa
Corso Garibaldi, 99
I – 20121 Milano
www.animaholding.it

Investor Relations
Fabrizio Armone
Tel. +39.02.63536.226
fabrizio.armone@animaholding.it

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