

1H20 Results

Spotting out of the bush

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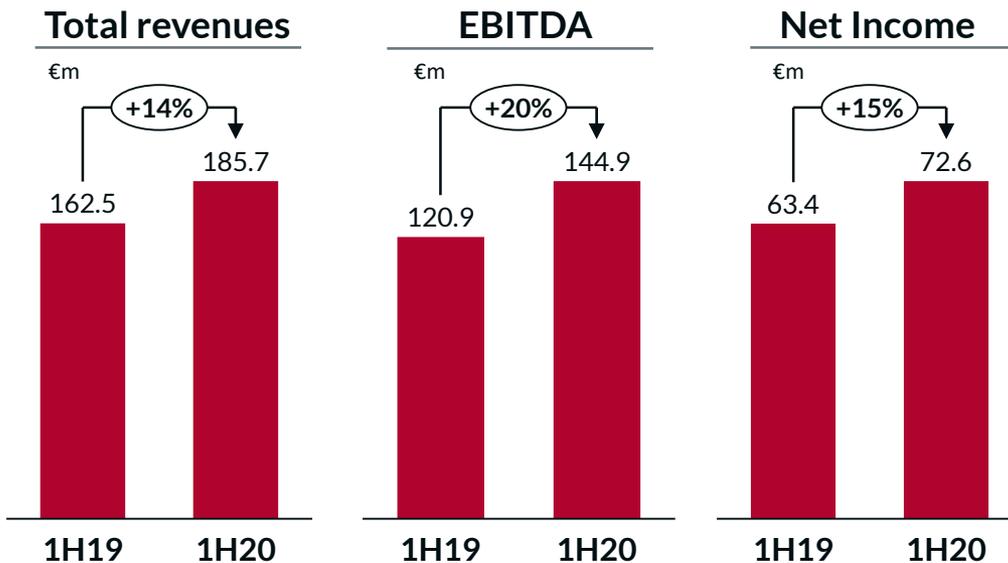
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01

ANIMA... who

1H20 Highlights

- ▶ Solid results delivered in a moment of high volatility and relevant uncertainty
- ▶ Cost control to enhance operating leverage without blocking investments for future profitable growth
- ▶ High cash flow generation with positive outlook for the remaining half of the year to ensure attractive return to shareholders still remaining ready to play the M&A card



183.4 AuM (€bn)

-1% vs. 2019FY

+0.6 Net New Money (€bn)

excluding Class I mandates

185.7 Total revenues (€m)

+14% vs. 1H19

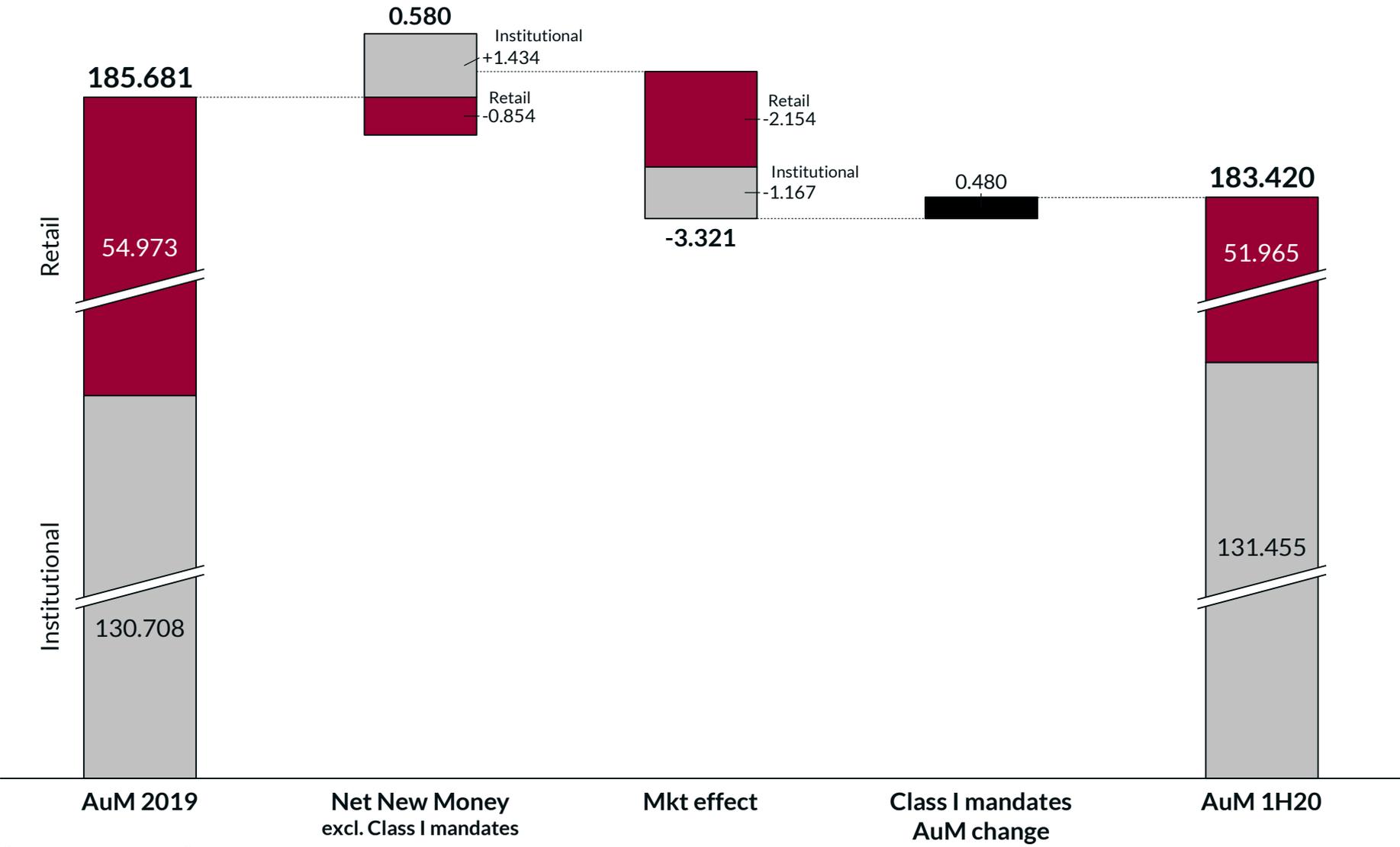
144.9 EBITDA (€m)

+20% vs. 1H19

72.6 Net Income (€m)

+15% vs. 1H19

1H20 AuM evolution

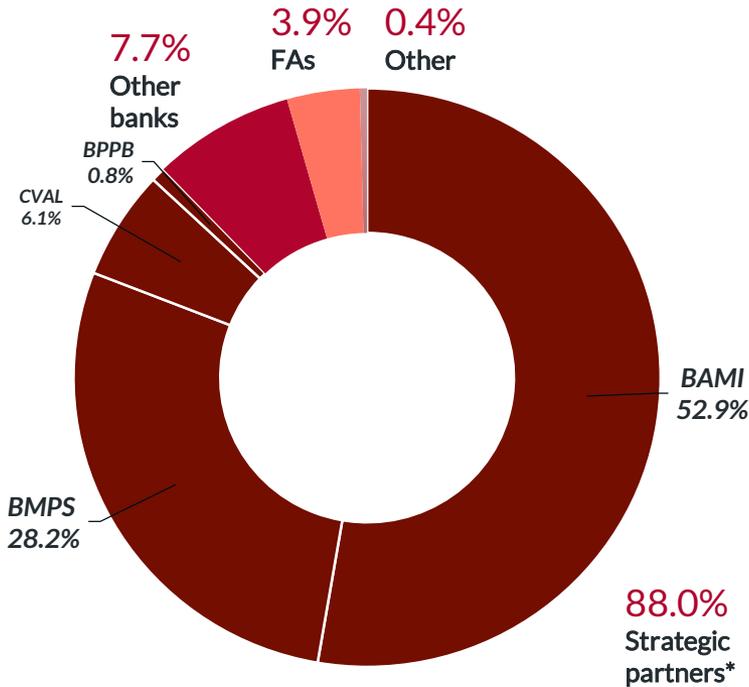


Source: ANIMA, data in € bn

Business by segment

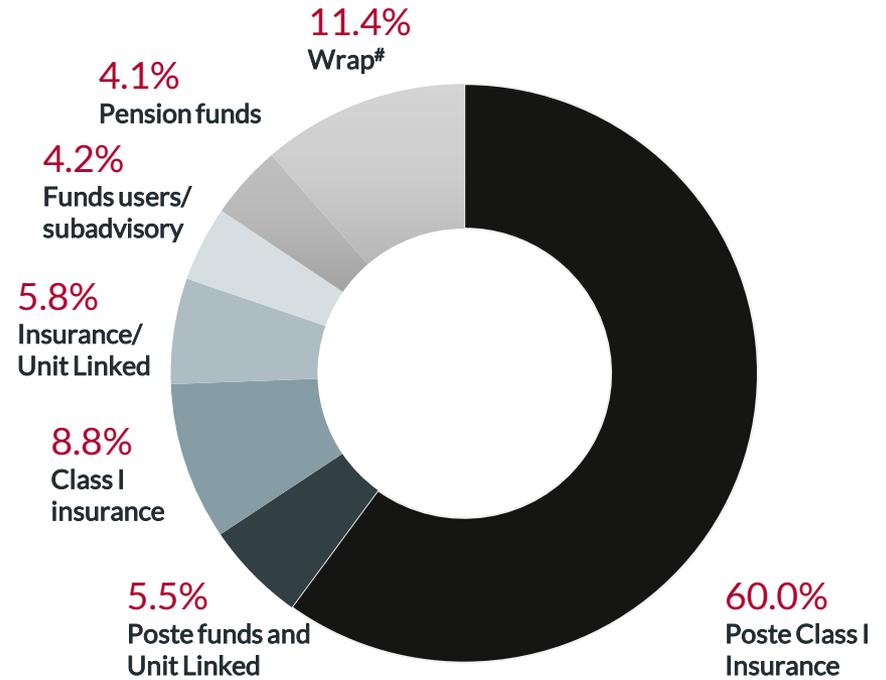
Retail

28% AuM = €52.0bn



Institutional

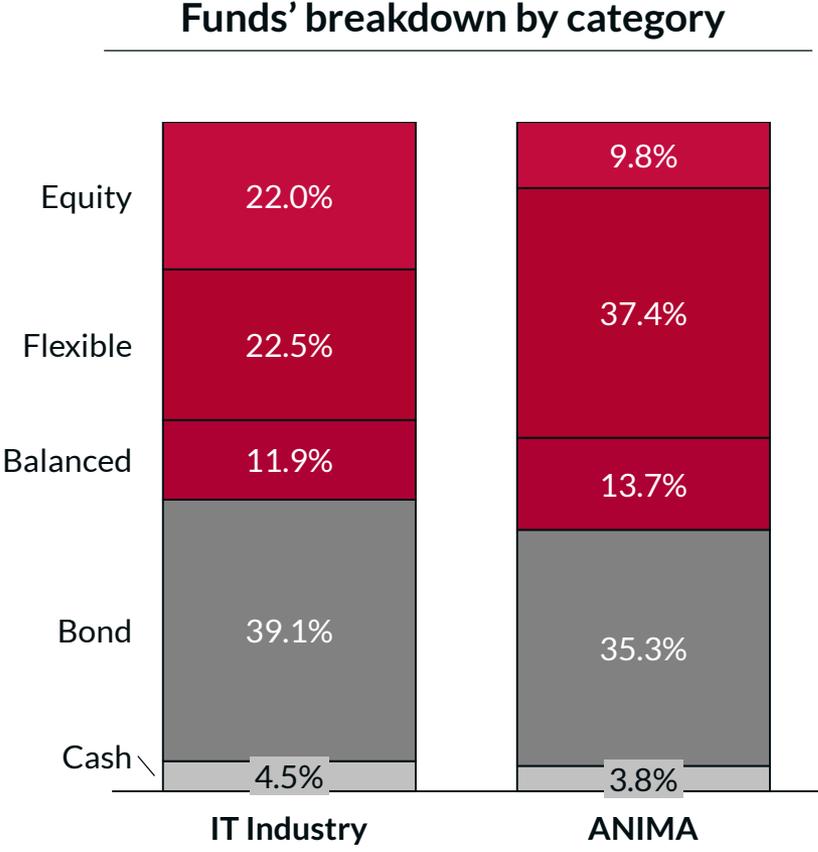
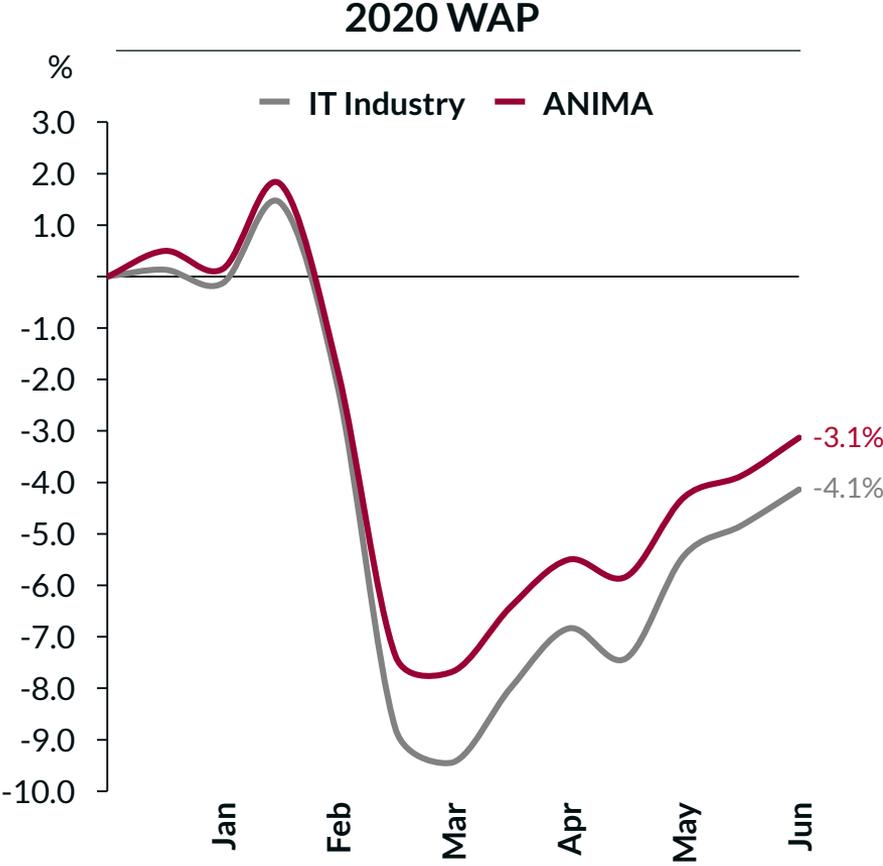
72% AuM = €131.5bn



Source: ANIMA as of 30-Jun-20 *Includes BMPS, Banco BPM, Cre.Val. and BPPB

Wrap: ANIMA mutual funds invested by other products/mandates managed by ANIMA

Mutual funds' investment performance



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

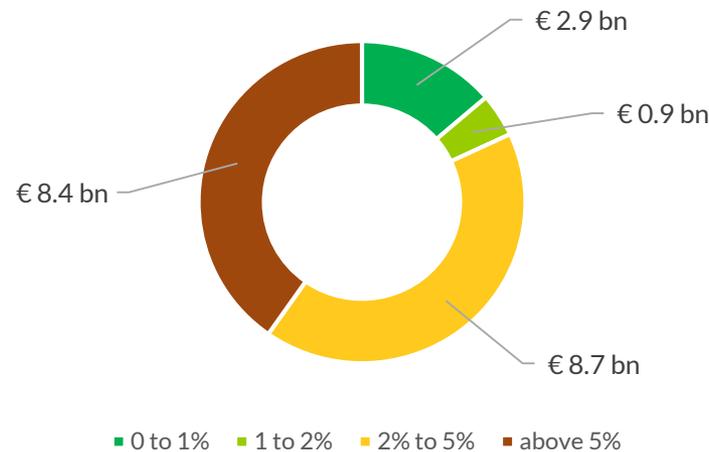
Source: ANIMA - ASSOGESTIONI for IT Industry funds' breakdown by category



Focus on funds' 2020 ytd performance

- ▶ Even in a very tough environment, ANIMA delivered significant results for its mutual funds against competition, with some selected leading overperformance (considering retail share classes net of all costs):
 - ▶ European equities (both large and small-midcap)
 - ▶ US and global equities
 - ▶ Absolute return strategies
- ▶ Performance fee generation during the calendar year is possible only on funds assessing perf. fee against the historical HWM (with no reset); in 1H20, notwithstanding the volatile markets a relevant amount of AuM exceeded the HWM (also in Q2)
- ▶ At the end of H1, a significant amount of AUM was close to exceed again the historical absolute HWM:

30 June 2020 AUM - distance from absolute HWM

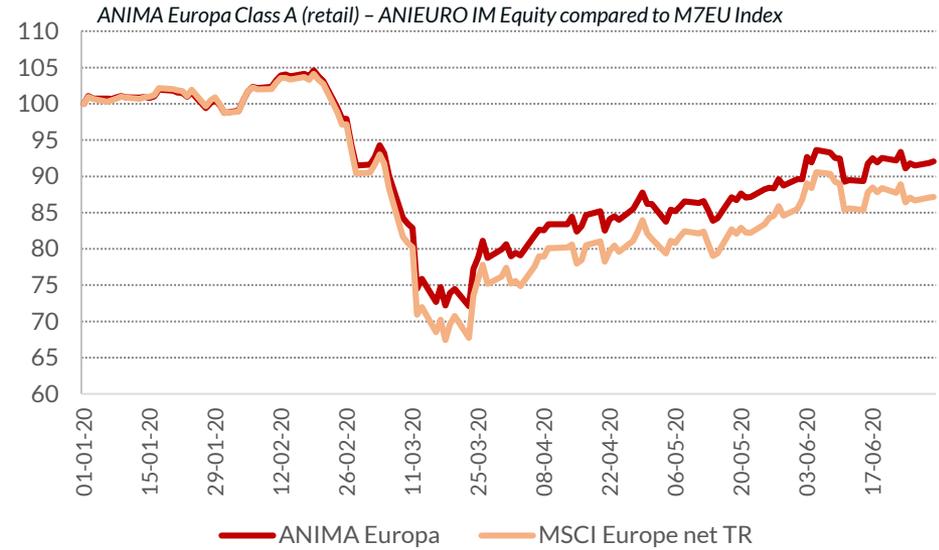


European large and small-midcaps directional equities

▶ ANIMA Europa has a 20 years track record, and it's benchmarked against the MSCI Europe

▶ 1H20 net performance:

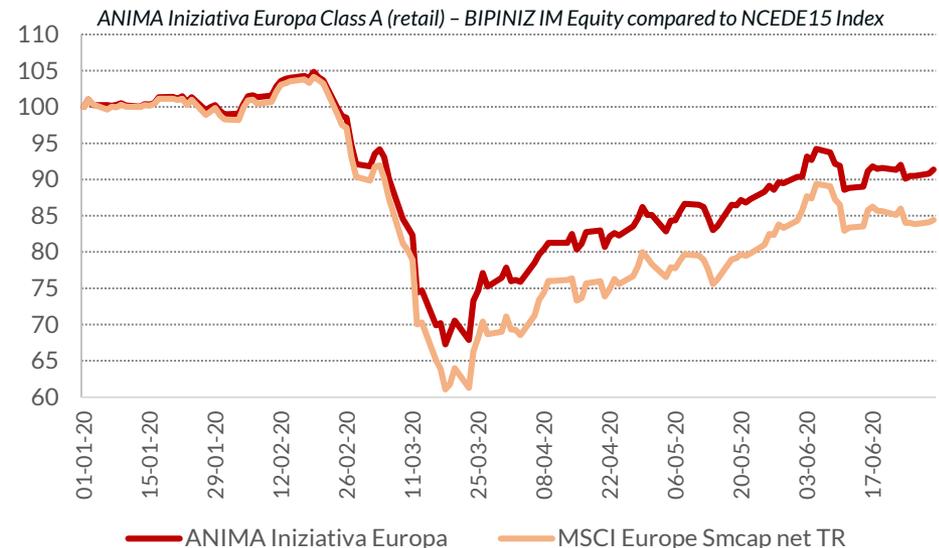
- ▶ ANIMA Europa -7.1%
- ▶ MSCI Europe TR Index -13.3%



▶ ANIMA iniziativa Europa has a specific small/midcap focus and it's benchmarked against the MSCI Europe Smallcap

▶ 1H20 net performance:

- ▶ ANIMA Iniziativa Europa -9.5%
- ▶ MSCI Europe smcap Index -15.9%



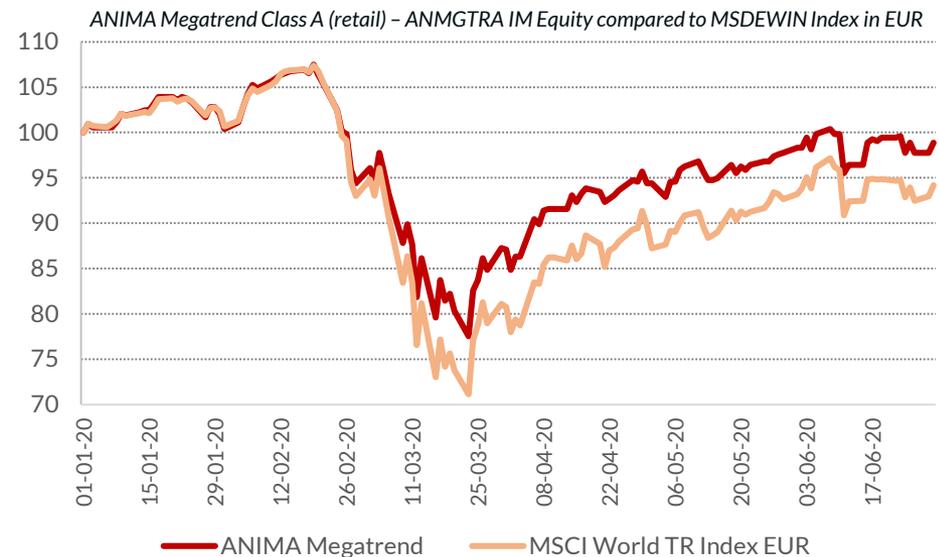
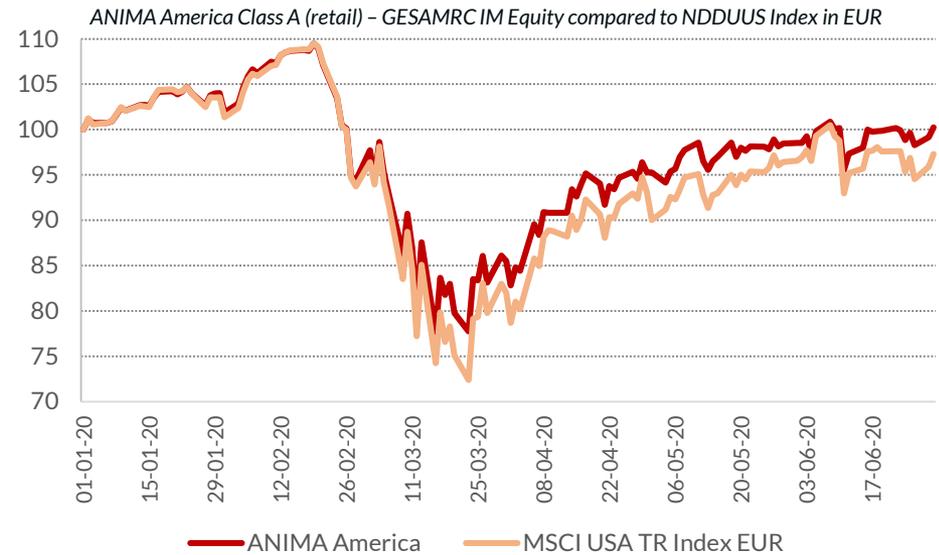
US Equities and global thematic equities

- ▶ ANIMA US equities funds are managed by the same PM since 2012 and are benchmarked against the S&P500 net TR equity index

- ▶ 1H20 net performance:
 - ▶ ANIMA America +0.2%
 - ▶ MSCI USA TR in EUR Index -4.1%

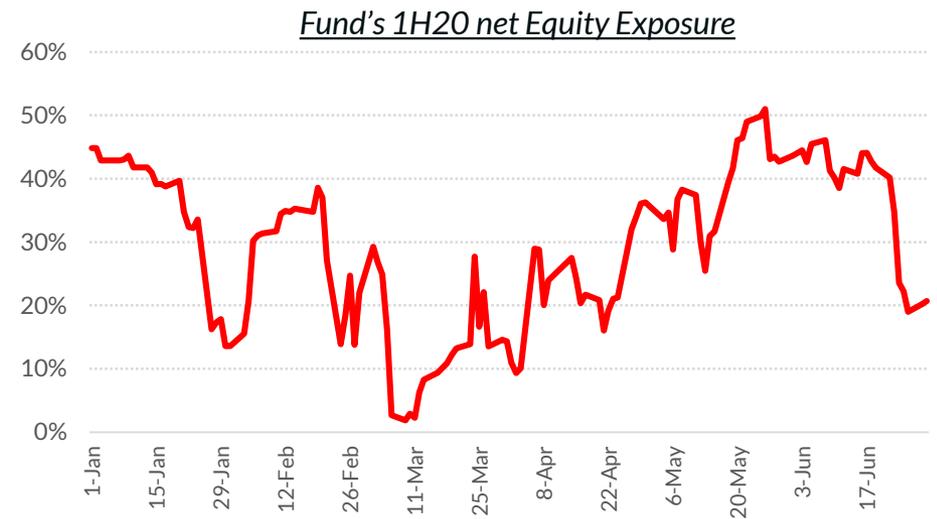
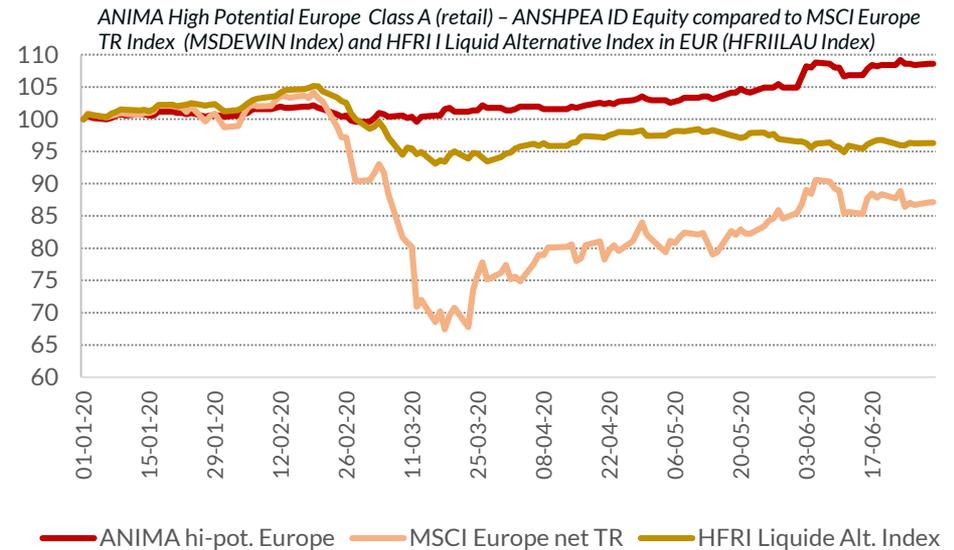
- ▶ ANIMA Megatrend must invest no less than 70% in equities, with a specific focus on themes such as ageing, sustainability and change in consumers' behavior

- ▶ 1H20 net performance:
 - ▶ ANIMA Megatrend -2.2%
 - ▶ MSCI World TR in EUR Index -7.0%



Absolute return strategies “ANIMA high potential”

- ▶ High Potential funds can actively manage the equity exposure with the aim of a positive total return with limited volatility
- ▶ With the Covid-19 outbreak becoming a global issue, the Investment Team has reacted by reducing net exposure very quickly since the beginning of the crisis
- ▶ Net performance between 02/19 (pre-Covid peak) and 03/18 (through) has been -0.6% vs. MSCI Europe Net TR Index -31.0%, HFRI I Liquid Alternative UCITS Index -11.2%)
- ▶ 1H20 net performance:
 - ▶ ANIMA high potential Europe +8.6%
 - ▶ MSCI Europe Net TR Index -5.8%
 - ▶ HFRI I Liquid Alternative UCITS Index -3.7%



02

ANIMA... how much

Consolidated P&L

€m	1H20	1H19		2019
Net revenues	148.927	152.935		310.137
Performance fees	36.730	9.595		48.176
Total revenues	185.657	162.530	+14%	358.313
Personnel cost	(24.177)	(22.436)		(43.353)
<i>o/w fixed</i>	(16.717)	(16.284)		(32.825)
<i>o/w variable</i>	(7.460)	(6.152)		(10.528)
Other expense	(16.604)	(19.146)		(37.286)
Total expense	(40.781)	(41.582)		(80.639)
EBITDA	144.876	120.948	+20%	277.674
Non recurring costs	(4.770)	(442)		(2.281)
LTIP expense	(1.417)	(4.165)		(2.730)
Other income/(cost)	2.344	2.915		3.621
D&A	(26.422)	(26.692)		(53.939)
EBIT	114.611	92.564	+24%	222.345
Net financial charges	(5.236)	(5.761)		(17.448)
PBT	109.375	86.803	+26%	204.897
Income tax	(36.772)	(23.424)		(59.068)
Net income	72.603	63.379	+15%	145.829
Adjusted net income	94.065	78.970	+19%	185.097

bps/avg AuM	1H20	1H19	2019
Retail	26.7	28.7	28.3
Institutional	10.1	10.3	10.2
Average	14.8	15.9	15.6

- ▶ Margins decrease mainly attributable to the absence of placement fees due to zeroing of banks' activity in Q2 caused by lockdown

Cost/income	1H20	1H19	2019
on total revenues	22.0%	25.6%	22.5%
ex performance fees	27.4%	27.2%	26.0%

- ▶ Expense ratio at the historical minimum of 4.5 bps over average AuM and
- ▶ Cost income excluding performance fees remains stable thanks to flexibility in variable cost base, which declines in spite of hirings for new projects
- ▶ Net loss on FVTPL securities evaluation (non cash item) of Q1 broadly reversed

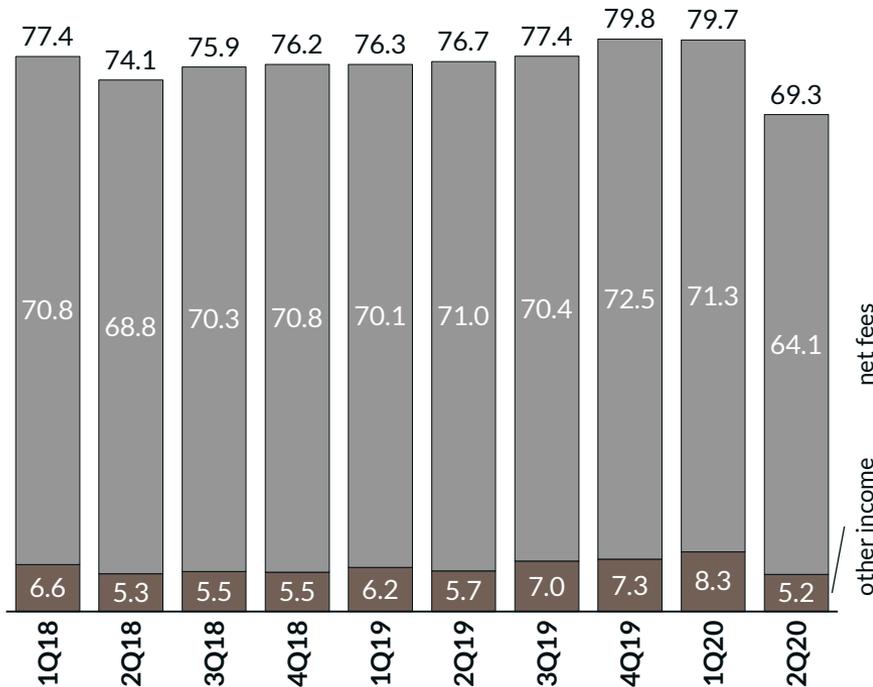
Net fees and personnel cost

- ▶ Net fees QoQ reduction driven by:
 - ▶ lack of placement fees (€4.0m) and lower administrative fees (other income) due to zeroing of banks' commercial activity (€3.1m)
 - ▶ lower management fees on AuM (€3.2m)

- ▶ Fixed component broadly stable notwithstanding hirings for new initiatives (research team, alternatives)
- ▶ FTEs up to 312 (306 in 1H19)

NET FEES

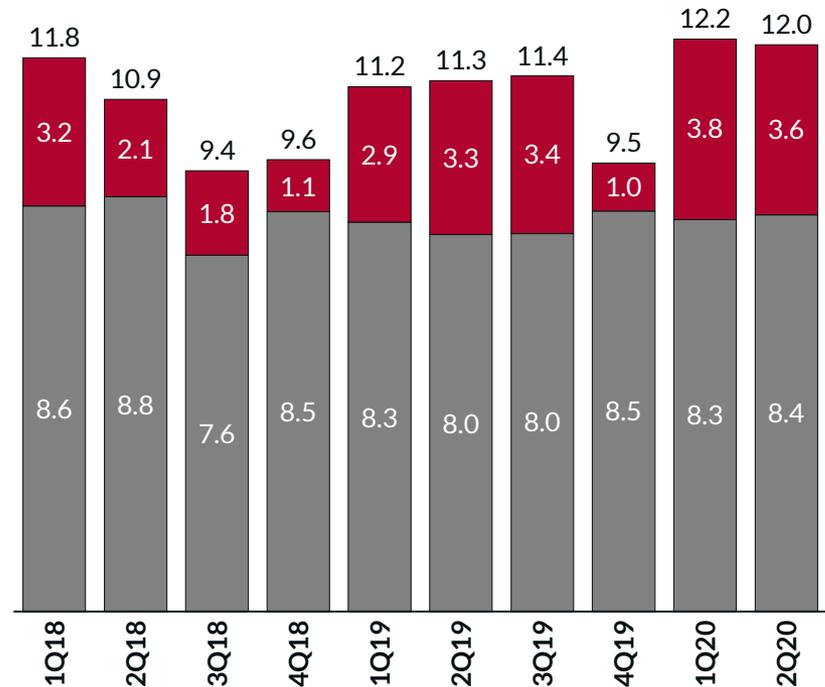
Data in €m



PERSONNEL EXPENSE

Data in €m

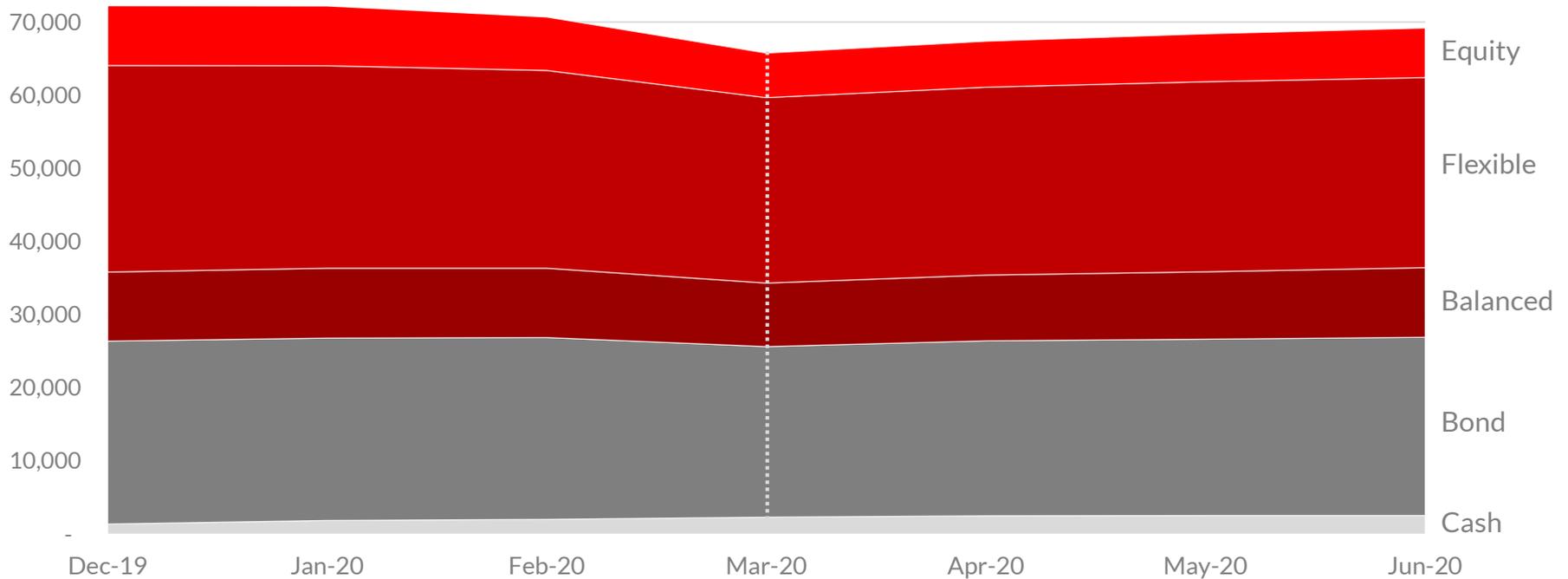
■ Fixed ■ Variable



Focus on fixed fees QoQ trend

- ▶ Fixed fees declined in Q2 due to:
 - ▶ lower total AuM at the beginning of the quarter, with most profitable asset classes hit by negative market performance and
 - ▶ inflows into lower risk profile (and lower fees) products
- ▶ At the end of Q2 total AuM is only €3bn lower than 2019 EoP, while Q1 showed a positive trend for more than two third of the period

Mutual funds' AuM breakdown by category

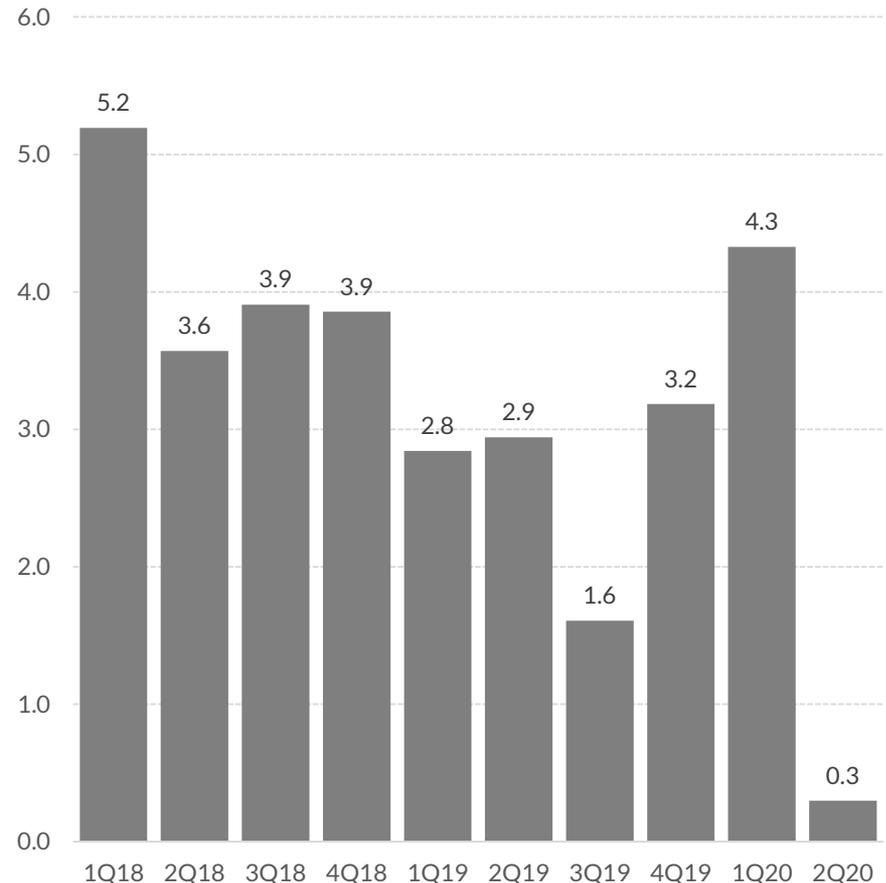


Source: ANIMA - data in €m

Focus on placement fees

- ▶ Placement fees are applied on target date funds (3 to 5ys) and consist of the up fronting to the distributor of all (or part) of the management fees to be rebated during the lifecycle of the product; typically ANIMA gets a small portion of it to compensate product origination, structuring and marketing
- ▶ Placement fees (basically load fees charged on a tunnel period) also provide these benefits:
 - ▶ Avoiding entry fees in addition to management fees (if the fund works with placement fees)
 - ▶ Incentivizing a mid-term holding period for the investment as the client pays who pays no entry and no exit fee in case the product is kept for the whole lifecycle
- ▶ Under an accounting point of view, such revenues are “fixed management fees”, with the consequence of some QoQ volatility for earnings and margins of ANIMA

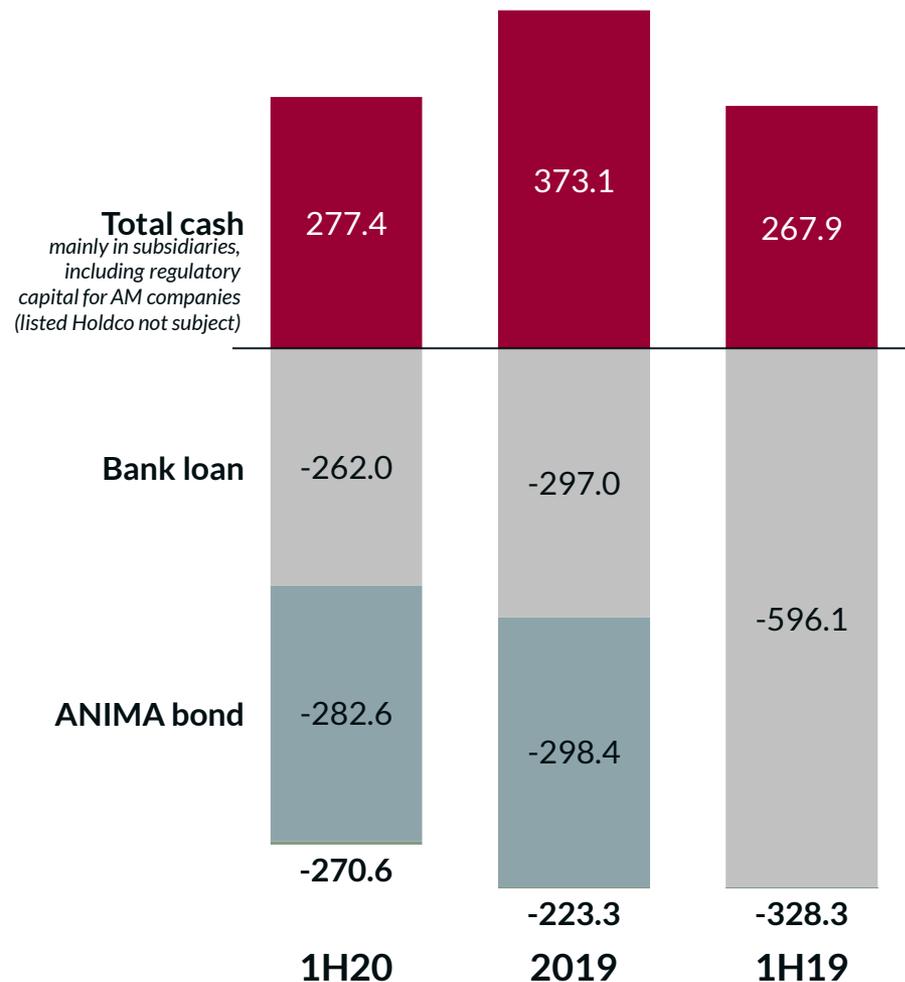
ANIMA placement fees collected (€m)



Consolidated Net Financial Position

€m	1H20	2019	1H19
Bank loan	(262.0)	(297.0)	(596.1)
Bond 2019-26 1.75%	(282.6)	(298.4)	-
Accrued interest	(3.4)	(1.0)	(0.1)
Dividends payable	-	-	-
TOTAL DEBT	(548.0)	(596.4)	(596.2)
Cash	177.1	263.7	174.5
Securities	88.8	89.6	89.3
Perf. fee receivable	11.5	19.7	4.0
TOTAL CASH & EQUIVALENT	277.4	373.1	267.9
CONSOLIDATED NFP	(270.6)	(223.3)	(328.3)
<i>NFP / EBITDA</i>		0.9x	

- ▶ Strong cash flow generation also in Q2 which enabled debt reduction
 - ▶ €16m bond buyback and
 - ▶ €35m bank loan reduction
- ▶ €73m dividends paid in May
- ▶ €47m tax paid in June



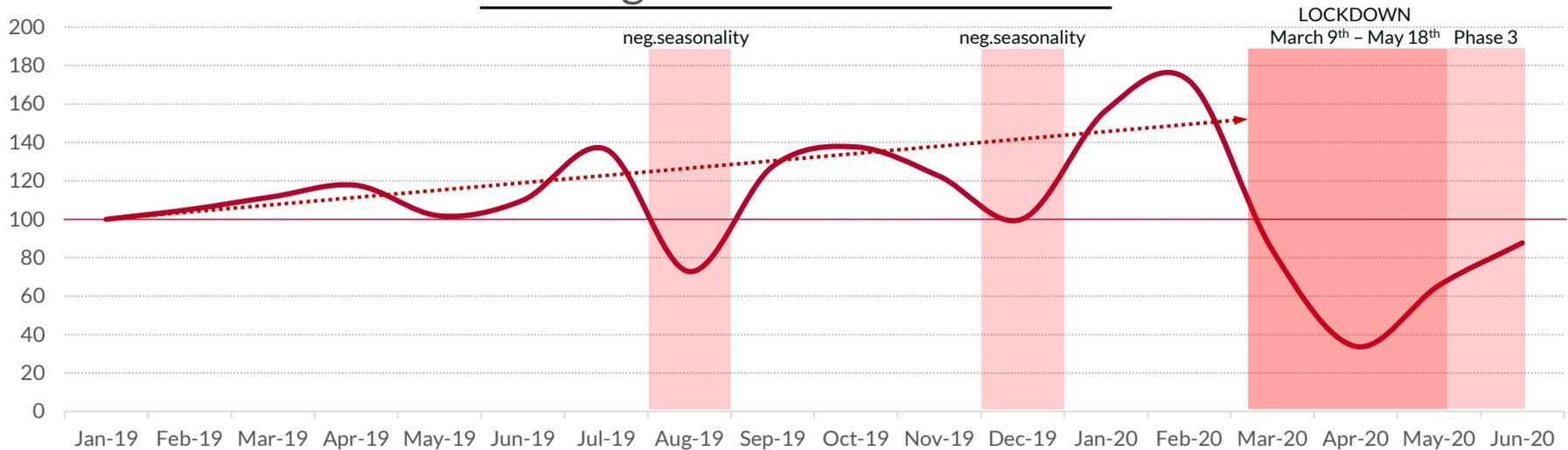
03

ANIMA... why

Focus on retail flows

- ▶ Q2 was indeed a very peculiar quarter, characterised by a low entry level for AuM, a strong rebound for all major markets and a substantial lack of commercial activity caused by the lockdown which for Italy lasted nearly 70 days, plus another month (“Phase 3”) with relevant limitations
- ▶ Retail gross flows were in a positive trend before the lockdown, and even if the branches are nowadays almost entirely up and running, productivity remains well below its potential also considering a very conservative “wait and see” attitude by customers after experiencing the strong year to date volatility and macro uncertainty
- ▶ Anyway the liquidity in the system remains at unparalleled levels (in the region of €1.5 trillion) being the underlying for the potential future expansion of the sector

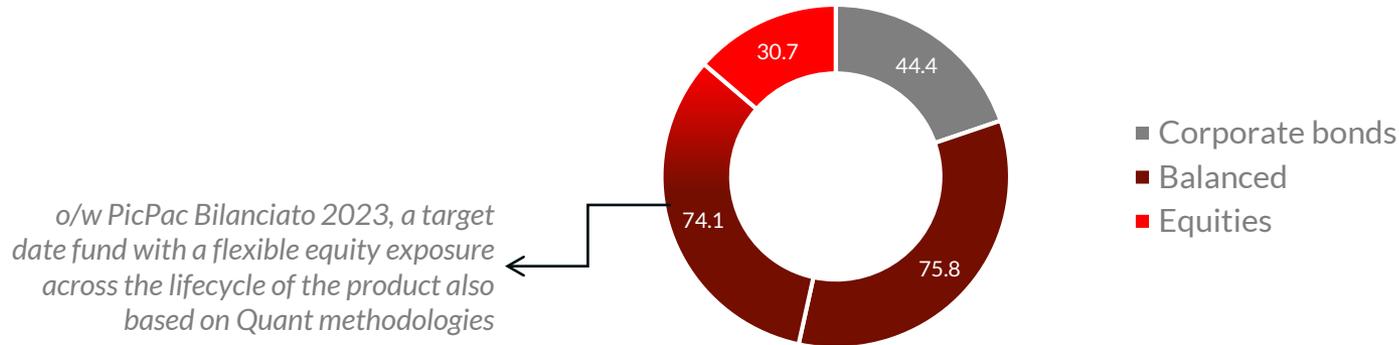
Retail gross inflows *(base: Jan'19=100)*



Retail: product development

- ▶ In Q2 successful start of the distribution for the ESaloGo product range with €225m collected on 3 new products (global equity, balanced – also with “PicPac” flexible equity exposure and corporate bonds)

ESaloGo funds – Q2 NNM by strategy in €m



- ▶ Launch of thematic target date funds to help the recovery of the commercial activity on the retail through new investment solutions (3 funds available for distributors since July):
 - ▶ **New Normal 2025:** increasing equity exposure to sectors that are expected to benefit, in the long run, from three trends: healthcare (in particular biotech, pharma, healthy eating and longevity); Information Technology; new consumer preferences
 - ▶ **Global and Healthcare 2025:** increasing equity exposure to companies operating in both developed and emerging countries in sectors such as products and equipment for healthcare, health and well-being, as well as pharma and biotech
 - ▶ **Picpac Megatrend 2023:** as for other «PicPac» flexible equity exposure, the PM uses Quant methodologies to actively decide the equity exposure with a maximum level already set in the fund's prospectus

Closing remarks

- ▶ Even in this environment with very limited visibility, we see growth opportunities, both organic or external:
 - ▶ Concerning **organic growth**, in addition to our ongoing product launches with risk adjusted returns to attract cautious retail customers and to nurture the recovery of our banking channels, we are also experiencing a renewed interest on certain flagship funds by higher affluent / private banking and institutional segments thanks to the excellent performances
 - ▶ Low-for-long rates environment, high competition combined with sector fragmentation and the Covid health emergency put pressure towards consolidation in the asset management sector, including the insurance segment where a search for yields will push towards management of more sophisticated and complex asset classes
 - ▶ **External growth** is always difficult to schedule or predict, but the banking industry in Italy is currently undergoing relevant changes with potential opportunities to be seized by our Group

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