

1Q18 Results

It's like we've just begun...



May 2018

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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

- ▶ Well diversified business model, with focus on recurrent revenue generation and sustainable profitability
- ▶ Extremely lean, efficient and scalable platform to extract value from organic growth and M&A
- ▶ Aletti Gestielle SGR acquisition supporting the growth generating tailwind on flows and economics (already incorporated in the P&L)
- ▶ Poste and BAM I Insurance mandates deals to be completed during this year

+0.6 Net New Money (€bn)

93.8 AuM (€bn)
+27% vs 1Q17

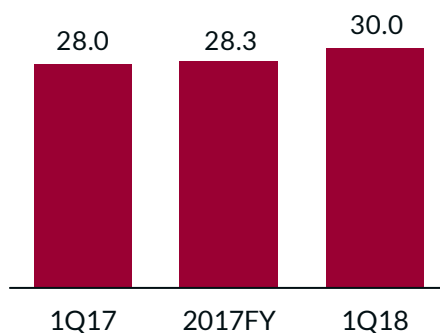
77.4 Net commissions (€m)
+34% vs. 1Q17

45.0 Net Income (€m)
+74% vs. 1Q17

47.7 Adj. Net Income (€m)
+51% vs. 1Q17

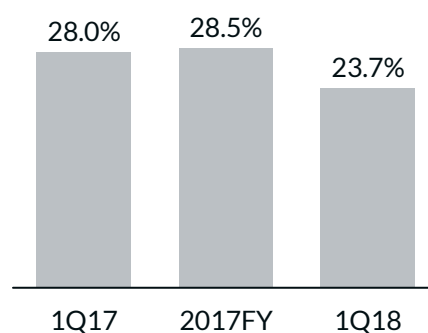
Net commissions

bps/avg AuM



Cost/Income

as a % of total revenues

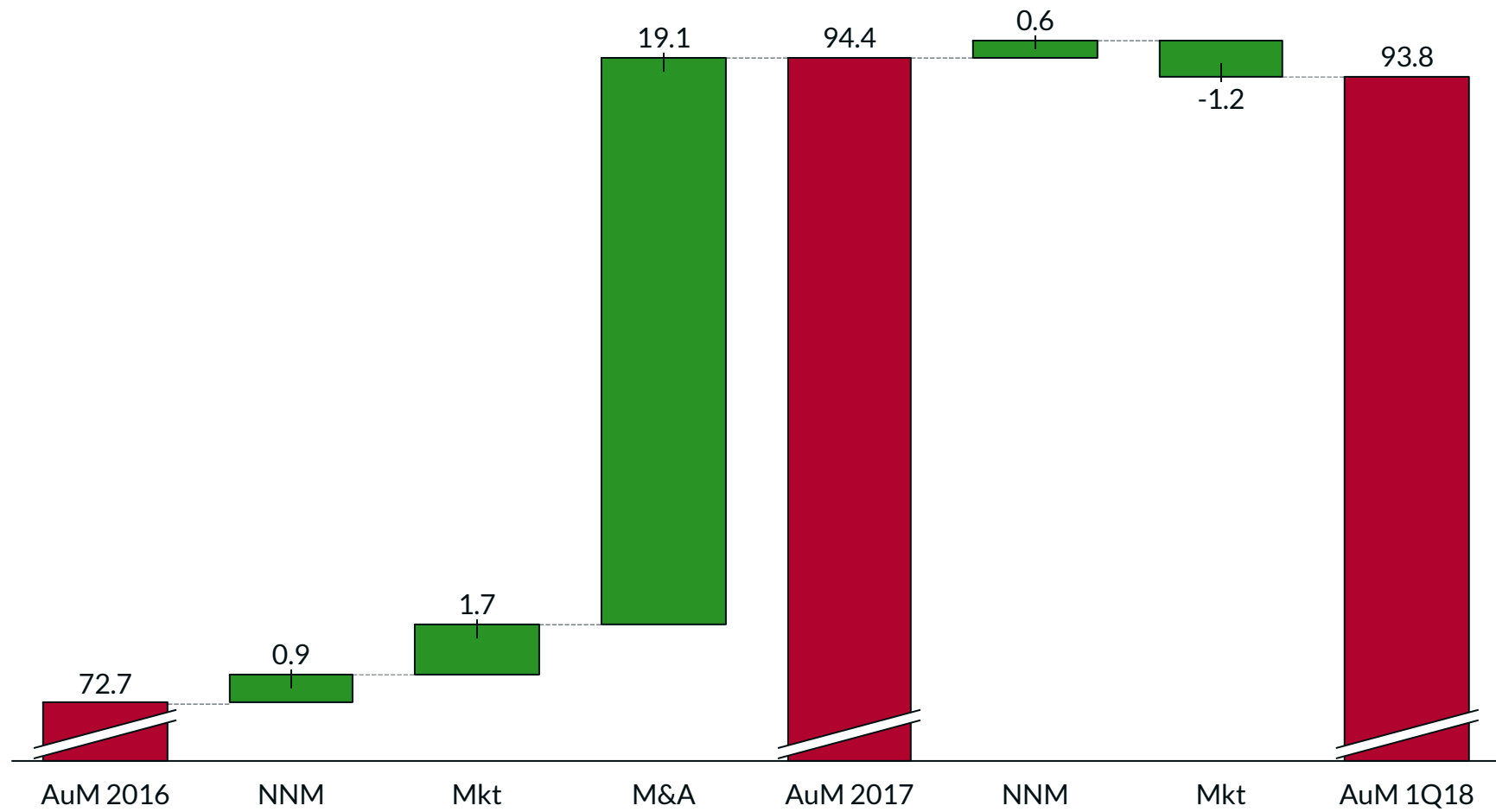


Source: ANIMA

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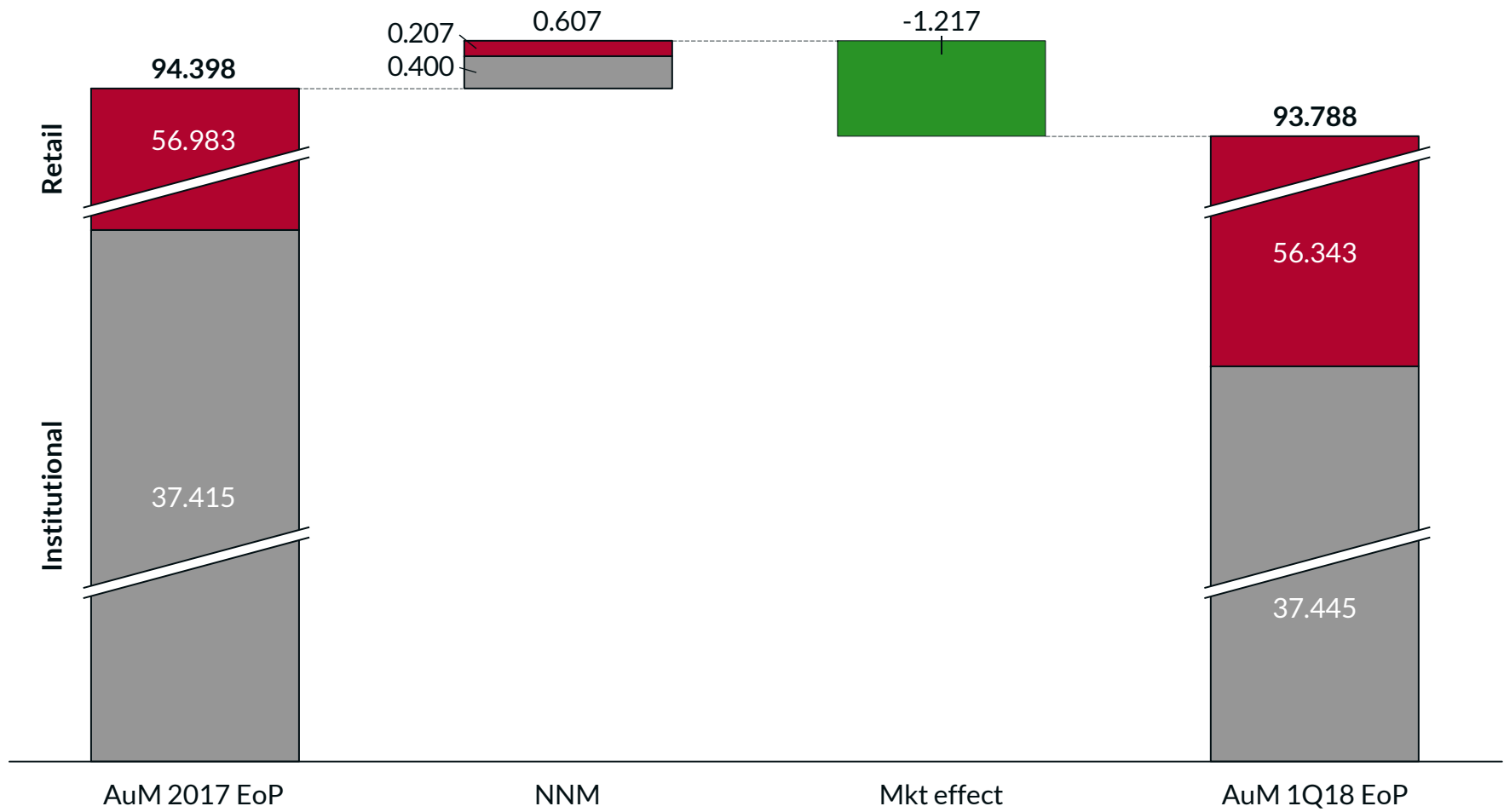
ANIMA... what

Anima AuM evolution



Source: ANIMA, data in € bn

1Q18 net inflows breakdown

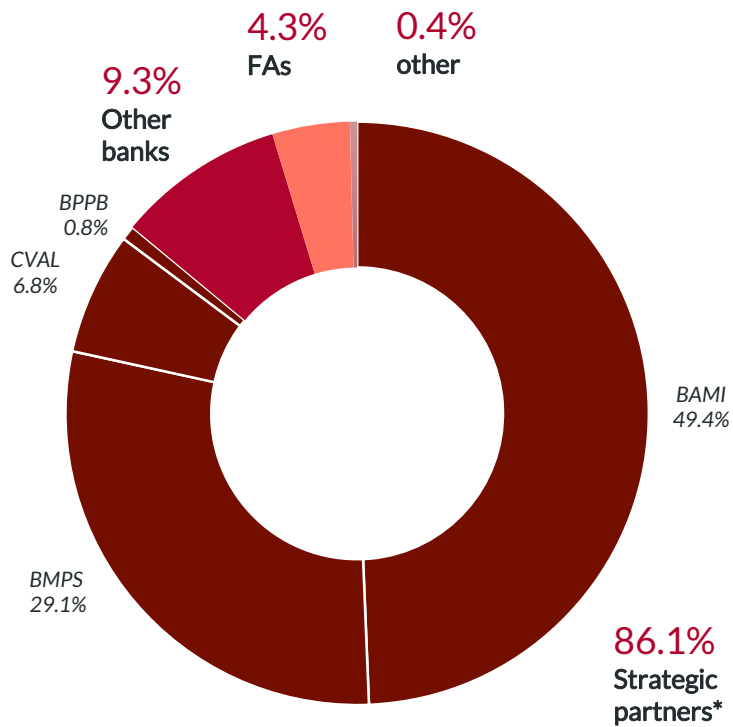


Source: ANIMA, data in € bn

Business by segment

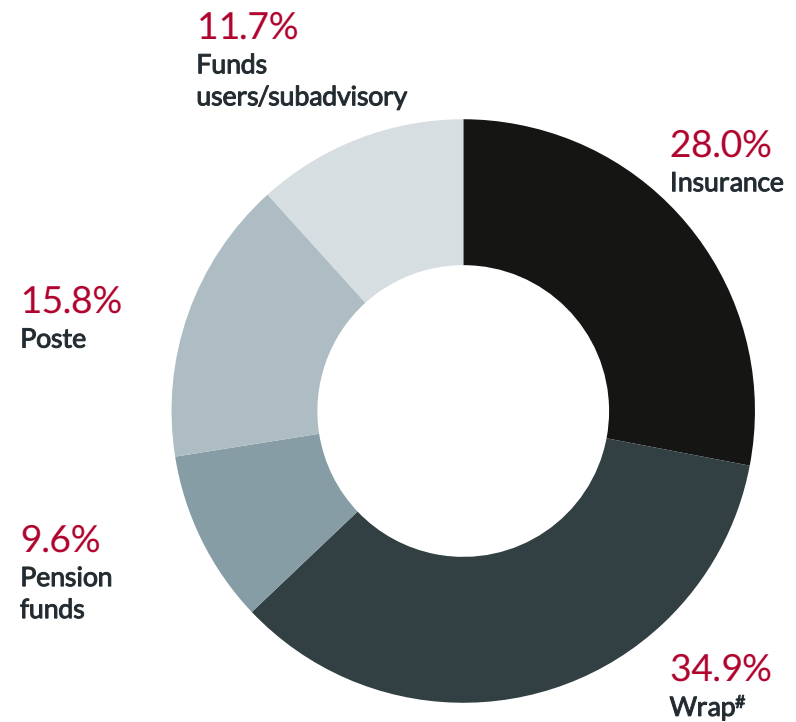
Retail

60% AuM = €56.3bn



Institutional

40% AuM = €37.4bn

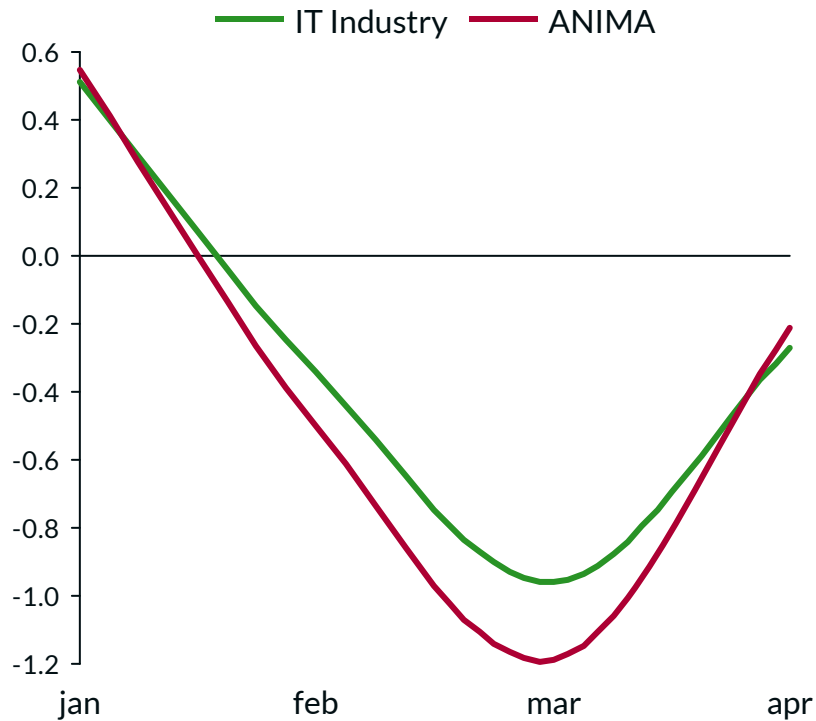


Source: ANIMA as of 31-Mar-2018 *Includes BMPS, Banco BPM, Cre.Val. and BPPB

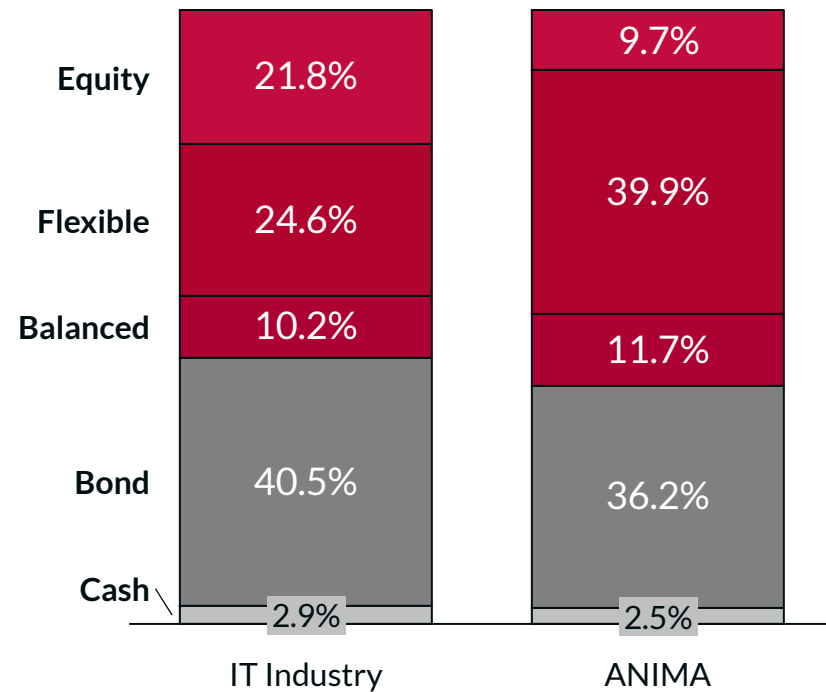
Wrap: Anima funds invested by other products managed by Anima

Investment performance

2018 monthly ytd WAP



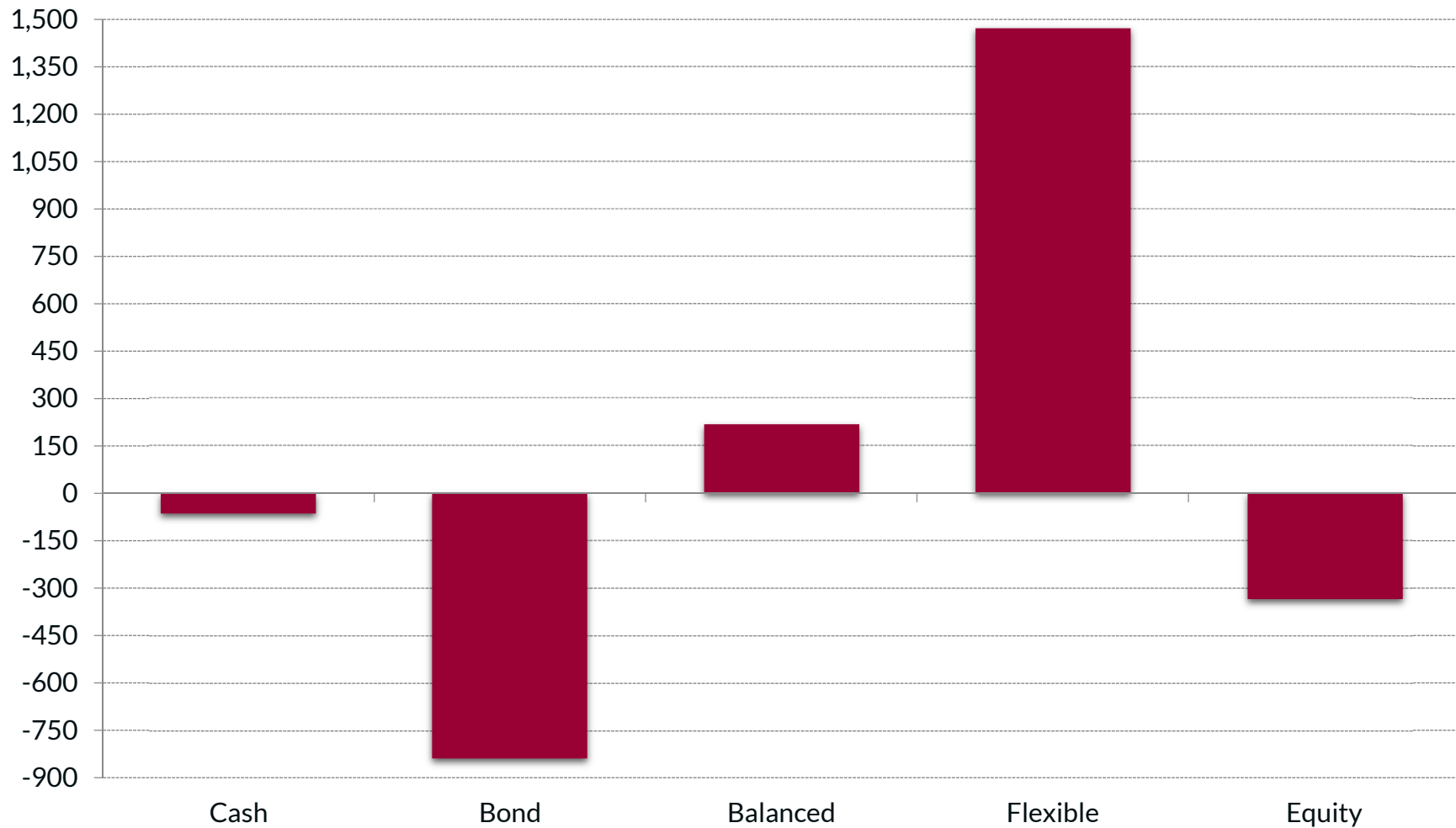
1Q18 funds' breakdown by category



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

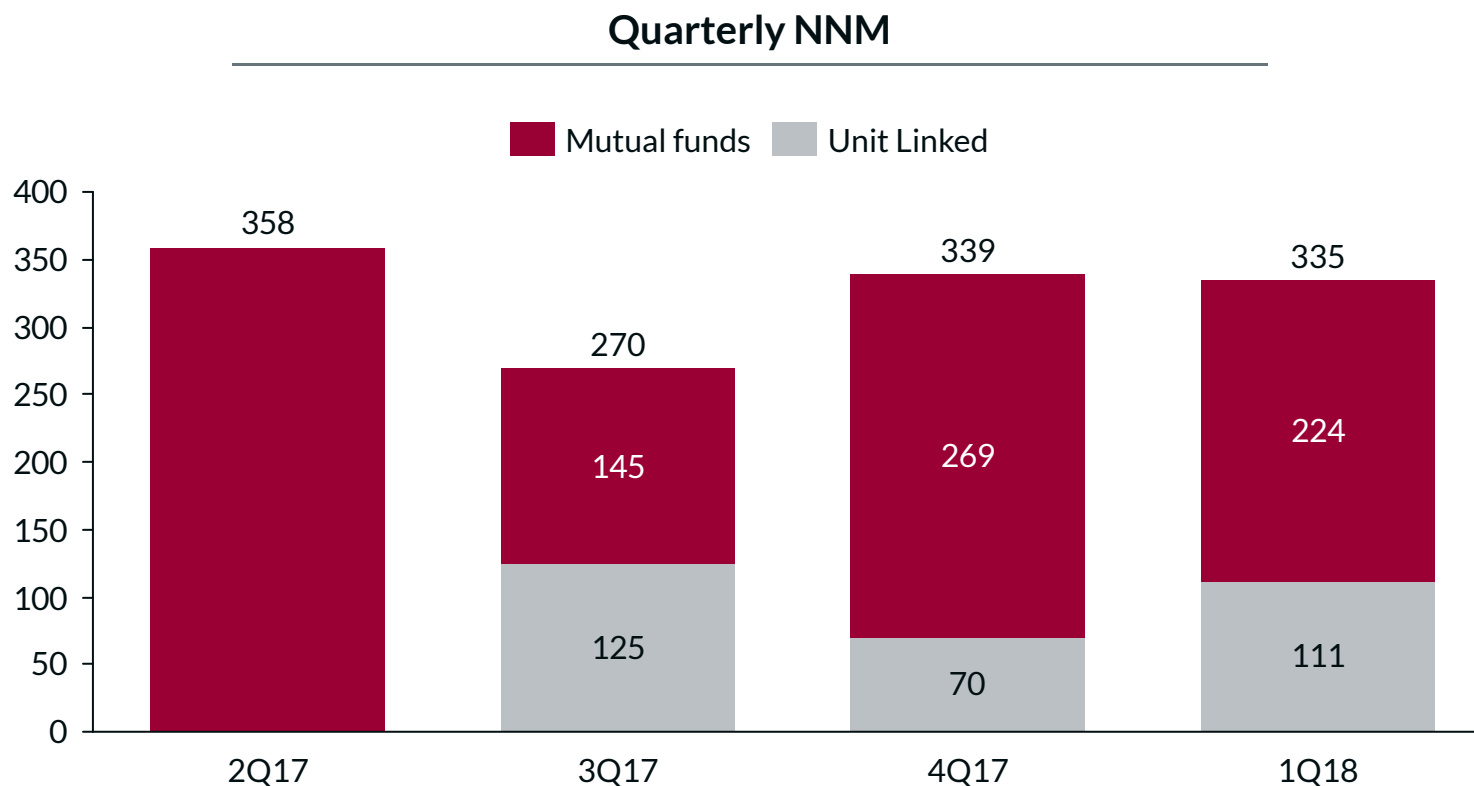
Source: ANIMA - ASSOGESTIONI for IT Industry funds breakdown by category

1Q18 net inflows in mutual funds by asset class



Source: NNM in ANIMA mutual funds - data in €m According to ASSOGESTIONI classification

Focus on PIR flows



- ▶ PIR distribution remains solid also thanks to activation of additional distribution channels in Q1
- ▶ Product offering currently constituted by 3 mutual funds and a Unit-Linked policy
- ▶ Average gross monthly flows remain in the region of €100m
- ▶ Total AuM in PIR compliant solutions exceeded €1.3bn at the end of Q1

Source: ANIMA

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ANIMA... how much

P&L overview

€m	1Q18	1Q17 ¹	%	2017 ¹
Net commissions	77.387	57.577		233.137
Performance fees	15.078	2.108		23.890
Total revenues	92.465	59.685	+55%	257.027
Personnel cost	(11.770)	(8.916)		(36.267)
o/w fixed	(8.615)	(6.499)		(26.173)
o/w variable	(3.154)	(2.417)		(10.095)
Other expense	(10.163)	(7.285)		(29.185)
Total expense	(21.933)	(16.201)		(65.452)
EBITDA	70.532	43.484	+62%	191.575
Non recurring costs	(1.184)	(0.112)		(9.555)
LTIP expense	-	(2.874)		(3.847)
Other income/(cost)	0.511	0.082		6.541
D&A	(4.276)	(4.393)		(17.983)
EBIT	65.583	36.187	+81%	166.729
Net financial charges	(2.379)	(1.106)		(6.839)
PBT	63.204	35.081	+80%	159.890
Income tax	(18.244)	(9.217)		(48.597)
Net income	44.960	25.864	+74%	111.293
Adjusted net income	47.705	31.647	+51%	133.780

bps/avg AuM	1Q18	1Q17 ¹	2017 ¹
Retail	31.3	28.0	28.5
Institutional	28.0	27.9	28.0
Average	30.0	28.0	28.3

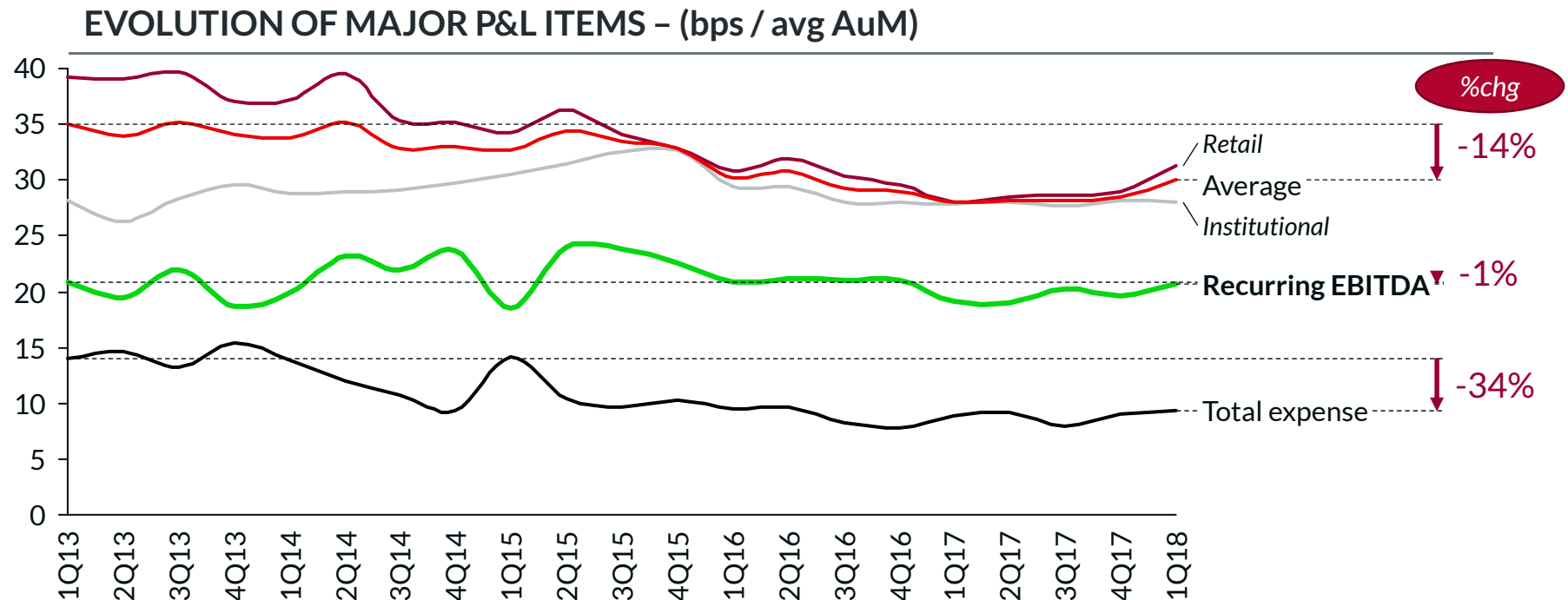
- ▶ Retail margin improved vs. 2017 year-end also through the consolidation of Aletti Gestielle asset mix
- ▶ At the end of April, as highlighted both in 2014 and 2018 IOC, the commitment for a €0.9bn ten years institutional mandate expired

Cost/income	1Q18	1Q17 ¹	2017 ¹
On total revenues	23.7%	28.0%	28.5%
Ex performance fees	28.3%	27.9%	28.0%

- ▶ No LTIP expense in 1Q18; new LTIP to be expensed after EGM approval and options granting to beneficiaries during 2018
- ▶ Cost/income remains low even if M&A synergies still to be extracted
- ▶ Tax rate slightly below 29%

¹1Q17 and 2017 figures for ANIMA excluding Aletti Gestielle SGR

The bearable sustainability of operating leverage



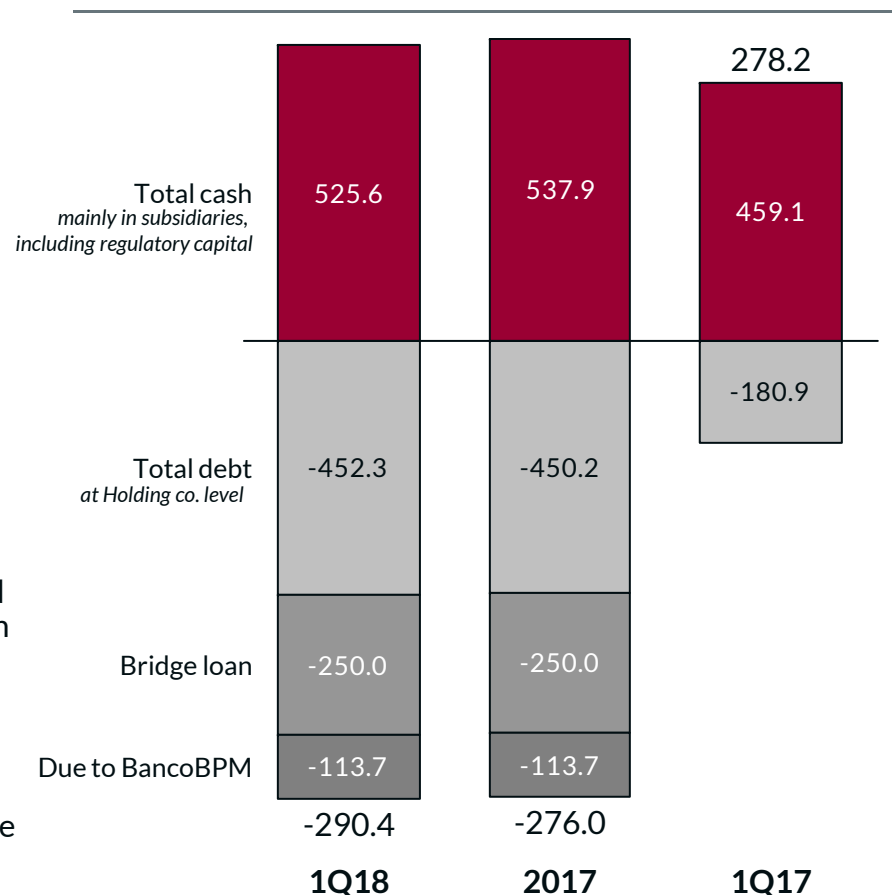
- ▶ Asset management industry is undeniably facing a margin compression, especially due to low rates environment, regulation and competition
- ▶ ANIMA proved to be extremely efficient in accommodating this well anticipated pressure, and is ready also to face potential new challenges

Source: ANIMA

Net financial position

€m	1Q18	2017	1Q17
Bank loan	(450.0)	(450.0)	(180.9)
Bridge to equity loan	(250.0)	(250.0)	-
Accrued interest expense	(2.3)	(0.2)	-
Due to Banco BPM	(113.7)	(113.7)	-
TOTAL DEBT	(816.0)	(813.9)	(180.9)
Cash	429.9	359.6	316.0
Securities	95.6	150.7	142.3
Perf. fee receivable	0.1	27.7	0.8
TOTAL CASH	525.6	537.9	459.1
NET FINANCIAL POSITION	(290.4)	(276.0)	278.3

- ▶ Gross debt entirely at Holding level, whereas cash is generated by subsidiaries and moved to the Holdco once per year through dividends
- ▶ Anima Holding NFP in Q1 -€685.5m (was -€57.3m in 1Q17); this amount does not reflect i) the €300m cash-in of the rights issue, ii) the €100m additional debt for BAMI insurance mandates deal and iii) the I €120m additional debt for the Poste deal
- ▶ In March 2018 €58m dividends were paid to shareholders
- ▶ The bridge loan was entirely paid back at the end of April with the proceeds of the right issue



Source: ANIMA

Gross debt - conditions

- ▶ Existing line and new line to be activated for the «Poste deal» by year end, when gross debt will reach €670m

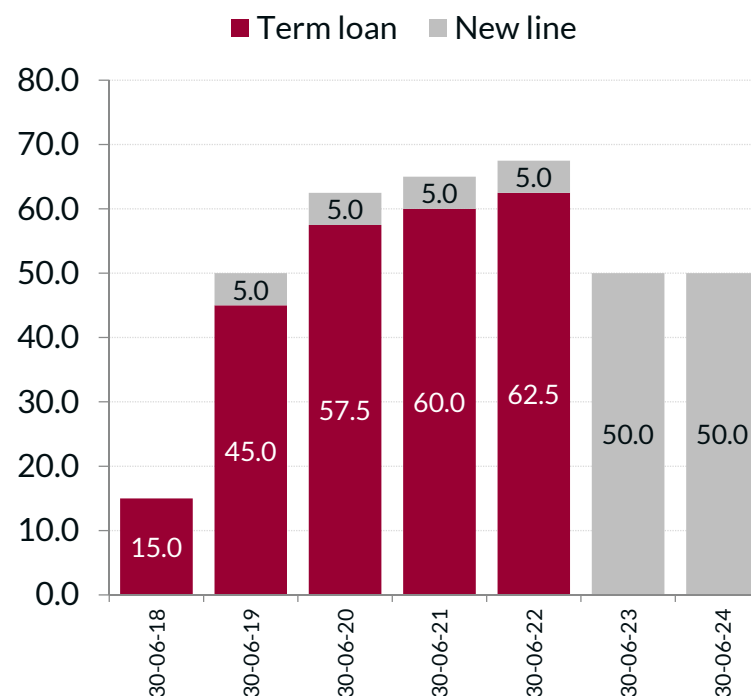
TERM LOAN - up to €550m

5 years, Eur012M +125bps
 Upfront fees: 80bps, amortised
 Covenant at Group level: NFP/EBITDA <2.5x
 Partially amortising, €310m bullet

NEW LINE TO BE ACTIVATED - €120m

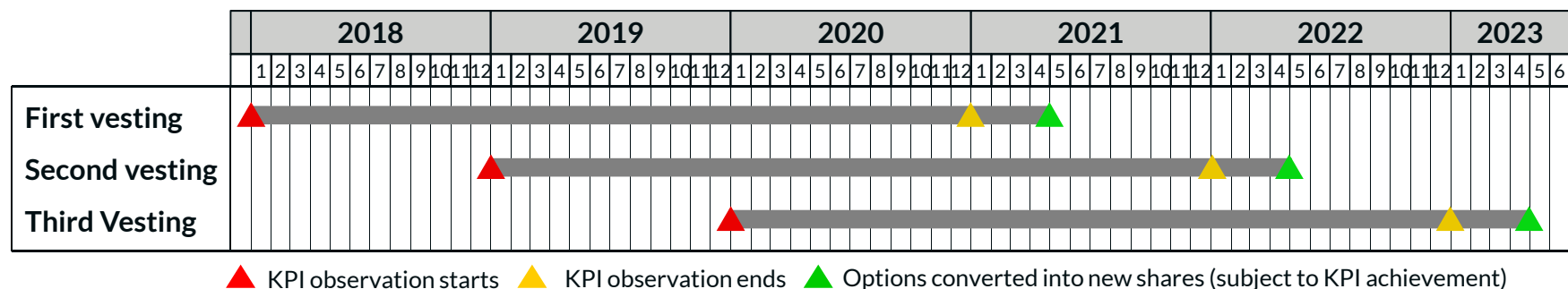
6 years, Eur012M +140bps
 Upfront fees: 80bps, amortised
 Covenant at Group level: NFP/EBITDA <2.5x
 Entirely amortising

CAPITAL REPAYMENTS (€m)



2018-2020 LTIP

- ▶ In order to ensure alignment of interest and target achievement, the Board resolved on a new 2018-2020 LTIP (subject to EGM approval)
- ▶ Total maximum amount of shares granted is 8,780,353 (or 2.31% of the issued share capital)
- ▶ New plan to cover over 2x the beneficiaries of the previous one
- ▶ Rolling 3ys vesting plan, granting 1/3 of the options each year
- ▶ LTIP KPIs :
 - 50% based on adjusted (cash) EPS growth
 - 25% growth of market share vs. Italian peers
 - 25% TRS against a panel of 20 European comparable
- ▶ LTIP cost shall be determined according IFRS2 at the time of options assignment and expensed evenly for the entire duration of the plan (see chart below) from the Grant Date (▲) until the Vesting Date (▲) for each of the three periods



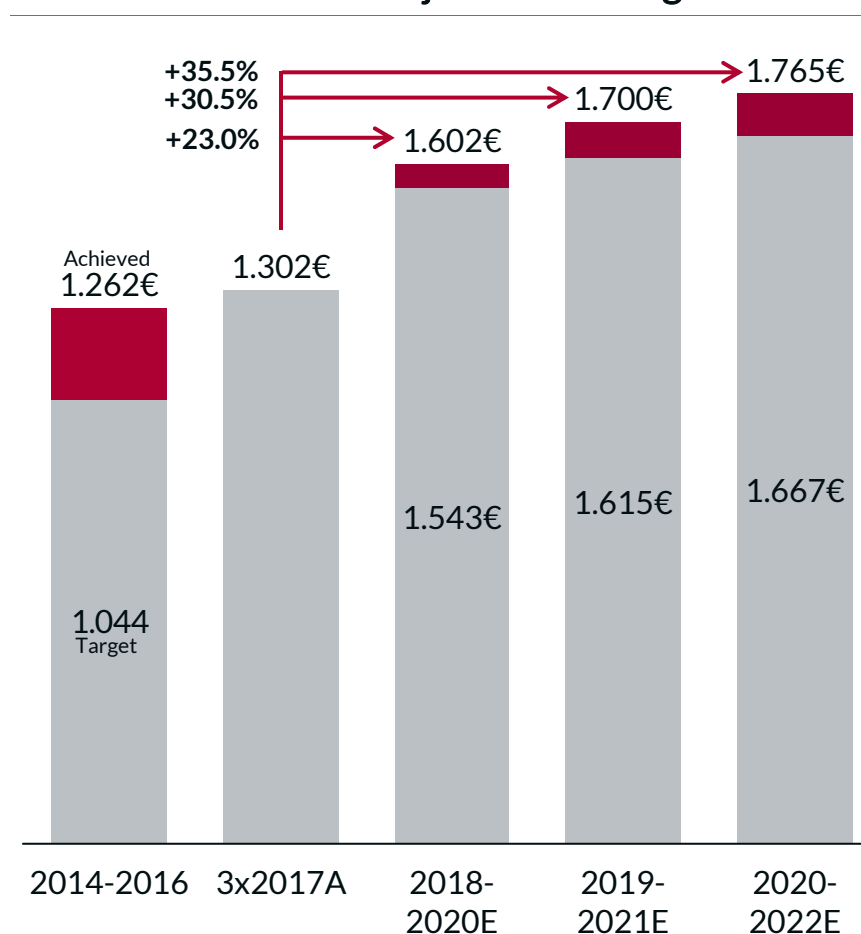
2018-2020 LTIP: focus on cash EPS growth

- ▶ 50% of the options will be vested subject to different levels of increase in the adjusted EPS over the three years periods
- ▶ Previous value for the 2014-2016 LTIP was €1.044 (achieved €1.262)
- ▶ The consolidated adjusted EPS must grow substantially from the 2017 level
- ▶ Target cumulated adjusted EPS vs. 3x 2017 adjusted EPS:

	2018-2020	2019-2021	2020-2022
all	>23.0%	>30.5%	>35.5%
linear	>18.5%	>24.0%	>28.0%
none	<18.5%	<24.0%	<28.0%

- ▶ No options will be granted below the minimum level; linear proportion between 50 and 75% in case of intermediate achievement

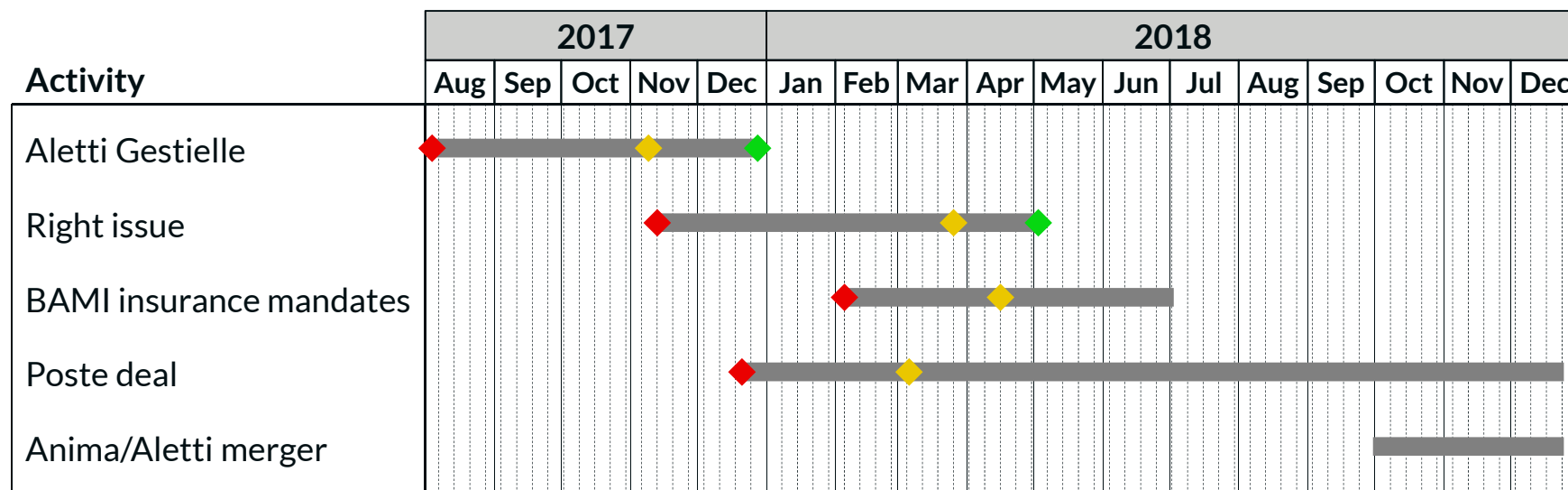
Cumulated adjusted EPS targets



04

ANIMA... why

2018: an execution year



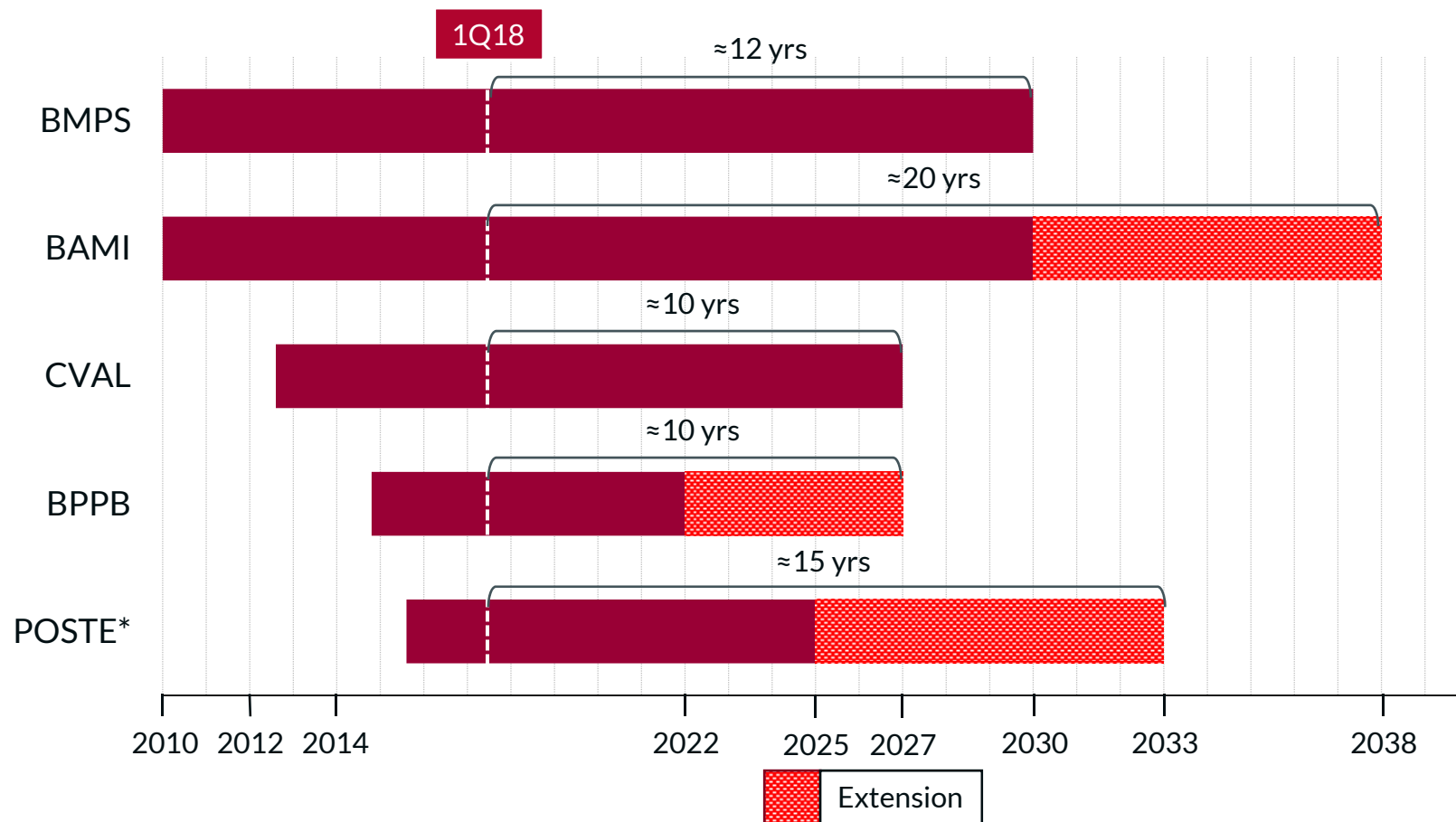
After successfully completing the Aletti acquisition and the €300m right issue, the next 12-18 months will be dedicated mostly to execution of the remaining deals and to extract value from acquired businesses

EXPECTED CLOSING TIMEFRAME (SUBJECT TO REGULATORY APPROVALS):

- ▶ BAMI insurance mandates by H1
- ▶ POSTE deal expected by Q4
- ▶ ANIMA – Aletti Gestielle merger expected in Q4

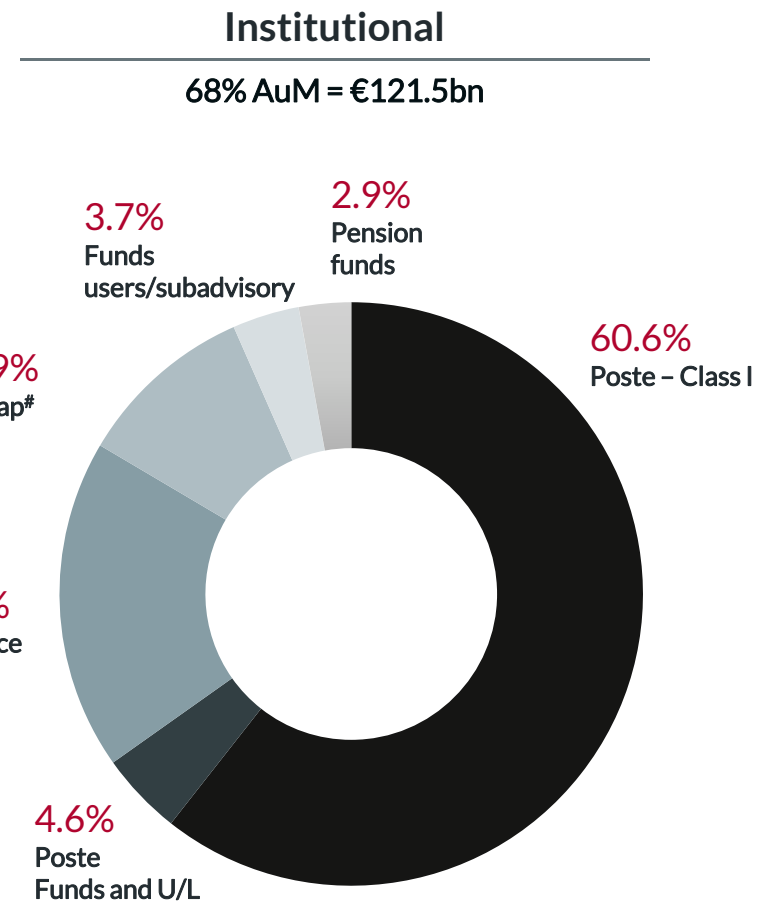
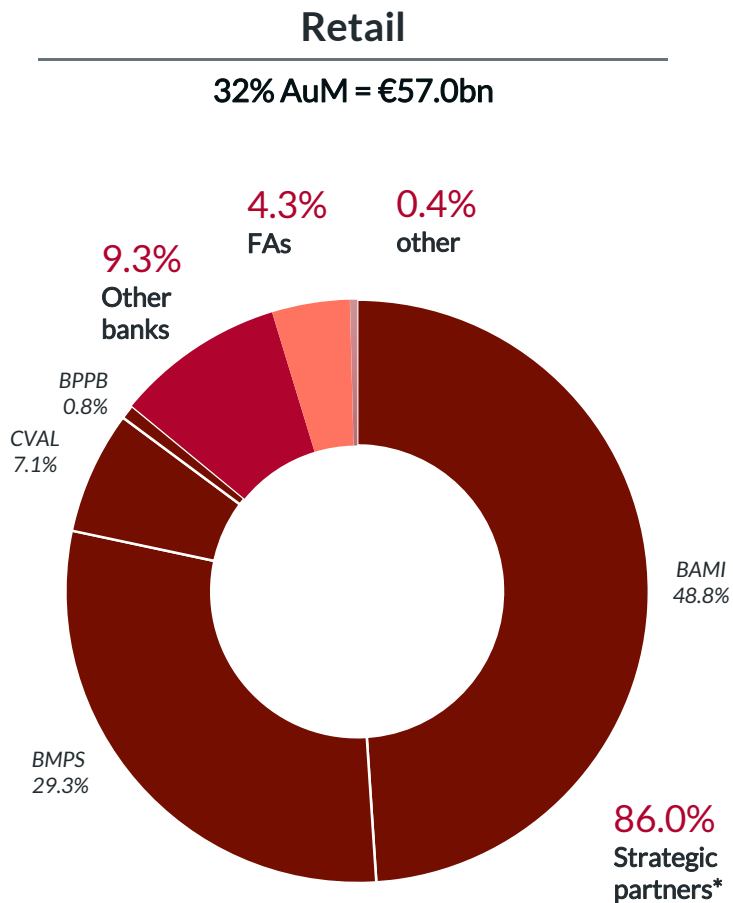
Improving long term visibility

Visibility of long term partnerships increased in 2017 also thanks to M&A



Source: ANIMA; *POSTE extension of the agreement will be in force at the closing date of the deal announced in December 2017 expected by 4Q18

Business by segment – Aggregating all M&A



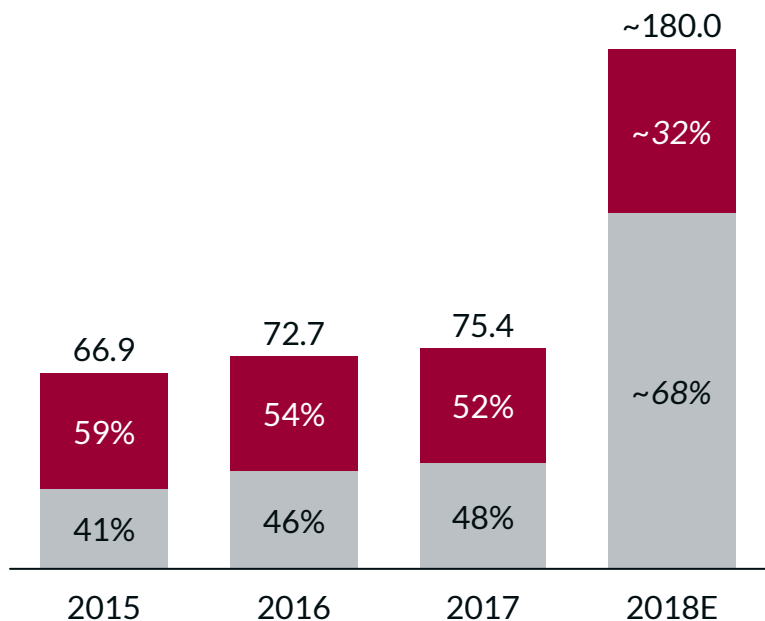
Source: ANIMA – figures referred to 2017FY split aggregating €73.6bn traditional life insurance mandates and €10.5bn other insurance mandates (BAMI)

Key ratios – expected evolution

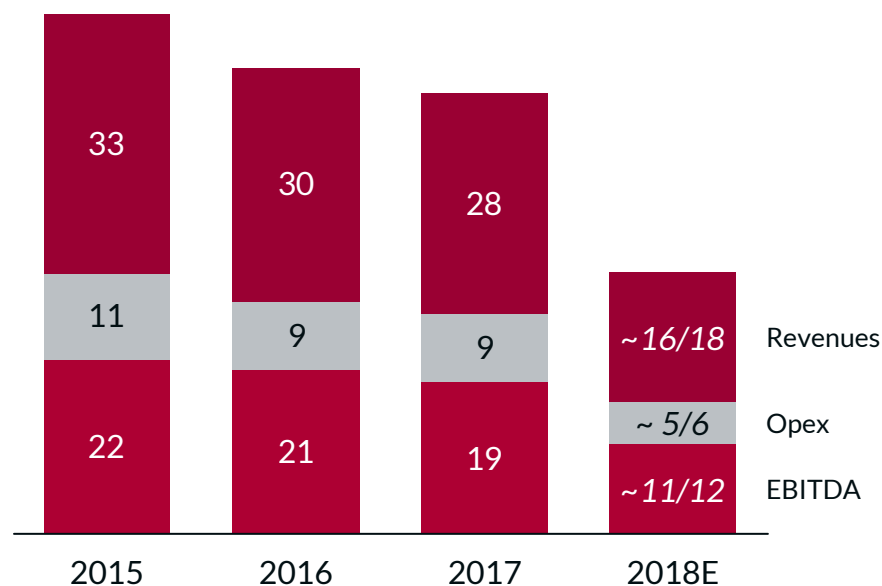
- ▶ Increase of institutional segment dilutes the top line, but operating leverage ensures sustainable profitability (figures above are excluding performance fee in the revenue line)
- ▶ Adjusted net profit is a good proxy of cash generation, which translates into high FCF yield to support debt repayment, capital returns to shareholders and room for further M&A

AUM BY SEGMENT (€bn)¹

■ Retail ■ Institutional



KEY P&L RATIOS (bps/avg AuM)²



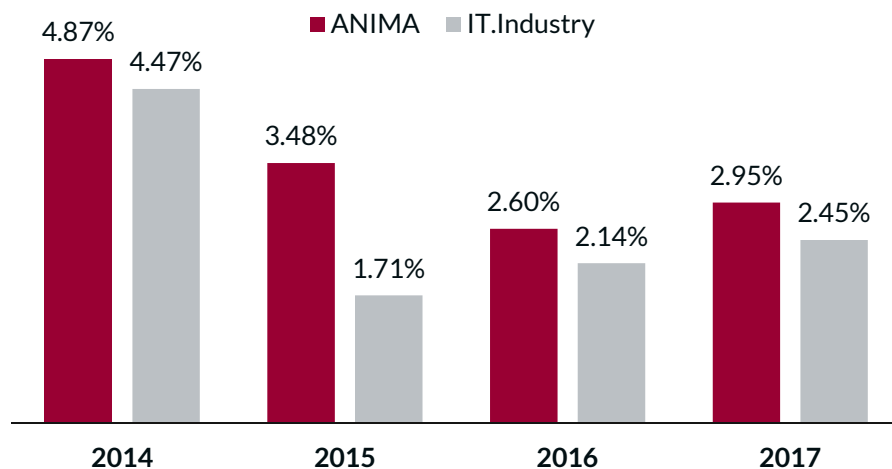
Source: ¹ ANIMA – assuming all M&A deals happening Jan 1st 2018 and no growth

² ANIMA – assuming all M&A deals happening Jan 1st 2018 and no growth

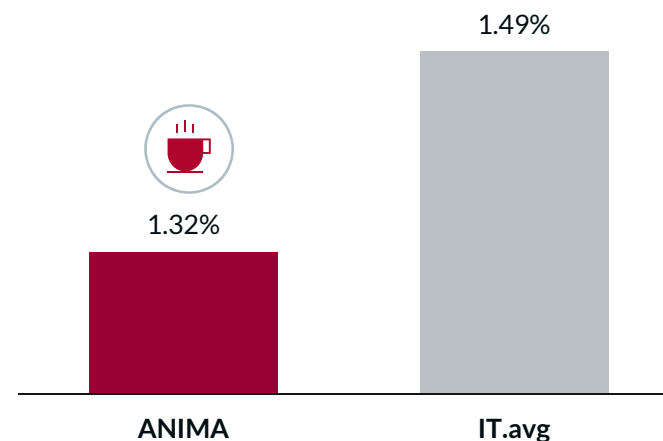
Impact of Mifid II

- ▶ Mifid II represents a potential game changer for the retail market since the new rules improve disclosure and increase transparency of all charges to the funds' NAV
- ▶ Since 2019 the reports to clients must clearly highlight the actual amount in Euro paid on actual investments held
- ▶ ANIMA gross pricing is below the average for retail customers in Italy
- ▶ Average investment of a retail customer in ANIMA funds is approx. €30/35K, so annual cost translates into «one coffee per day» including advisory of distributors (keeping 70%+ of the fees paid)

Mutual Funds WAP¹



Mutual Funds average cost for retail²



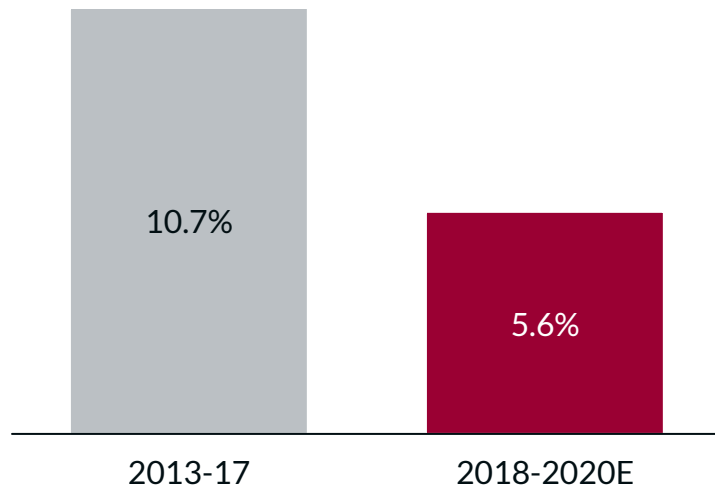
¹ Source: ANIMA - FIDMGED Index for IT Industry

² ANIMA elaborations on CONSOB «Il costo dei fondi comuni» consultation paper dated Jan 8, 2018 2016 figures. IT avg. represents a weighted average in line with ANIMA year end asset allocation by category of funds

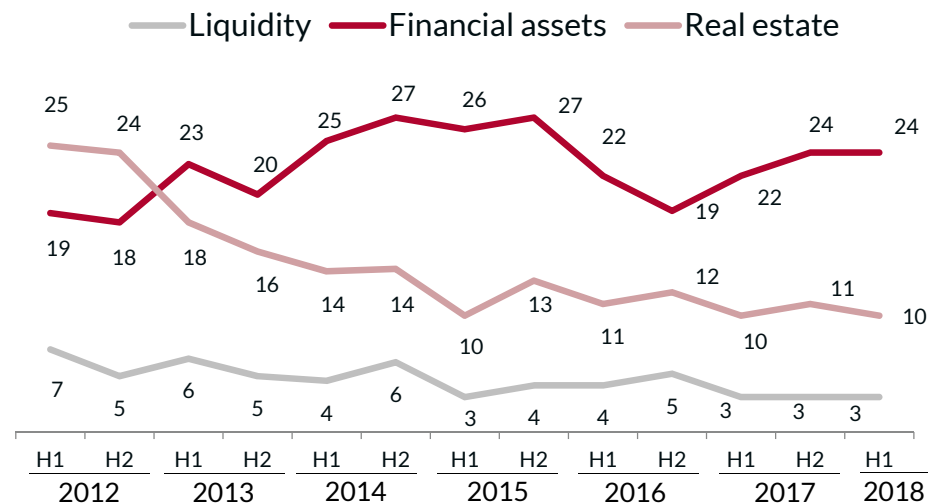
Closing remarks (1/2)

- ▶ The huge growth of the Italian AM industry in the past 5 years should not overshadow the fact that the environment in the same period has become significantly more challenging
- ▶ The past AuM growth for the Industry most likely is not repeatable, but expectations for the domestic AM market continue to show very interesting growth potential even if markets offer lower upside, and interest rates and volatility will increase in the foreseeable future
- ▶ Italian households remain savers, and preference for financial assets vs. other investments remains strong; we believe that thanks to our positioning in the market we can fully exploit this potential

CAGR of the Italian AM industry¹



Preference for investments by type² in %



Source: ¹ANIMA on Wealth Insights / Prometeia estimates (November 2017)

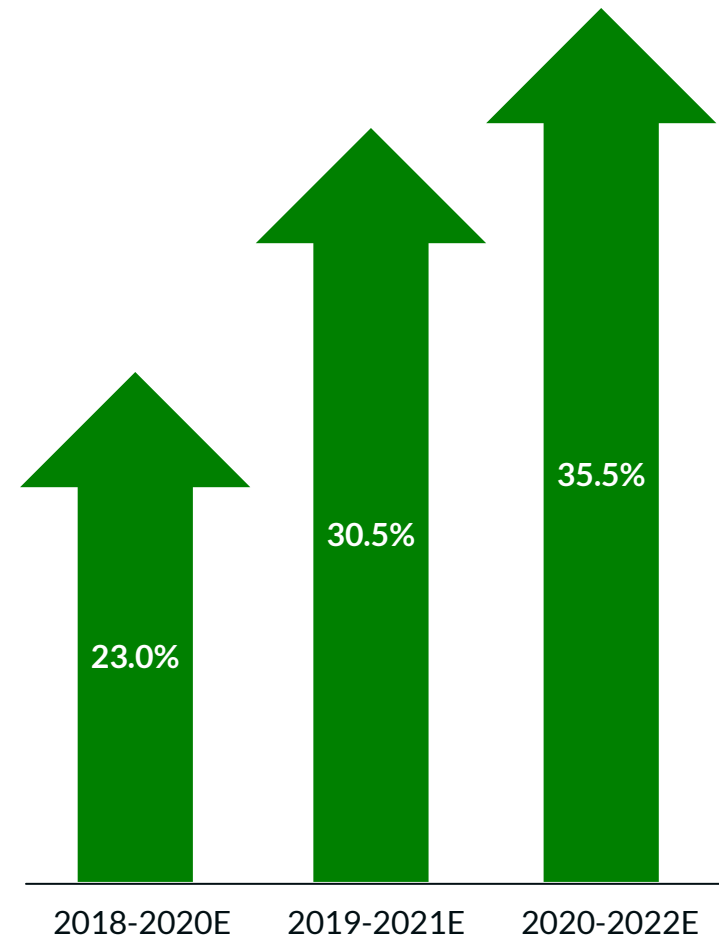
²GfK survey on banks' clients (March 2018)

Closing remarks (2/2)

- ▶ The EPS targets set forth as KPI for the new LTIP are ambitious but reasonable considering:
 - **i)** a well diversified business model, with **retail** segment remaining very well supported by banking distributors which continue to offer attractive upside potential
 - **ii)** an increase of the weight of the **institutional** segment in all its components, which is less subject to the downward margin pressure and
 - **iii)** a fast growing scale also through **M&A**, leveraging a very solid track record in the execution and cost control

ANIMA: different, yet unique!

EPS growth to reach LTIP KPI*



Source: * Growth vs 3x 2017A cash EPS to fully achieve KPI target

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