

# 1Q21 Results

Naturally sparkling



Milan, May 2021

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# 01

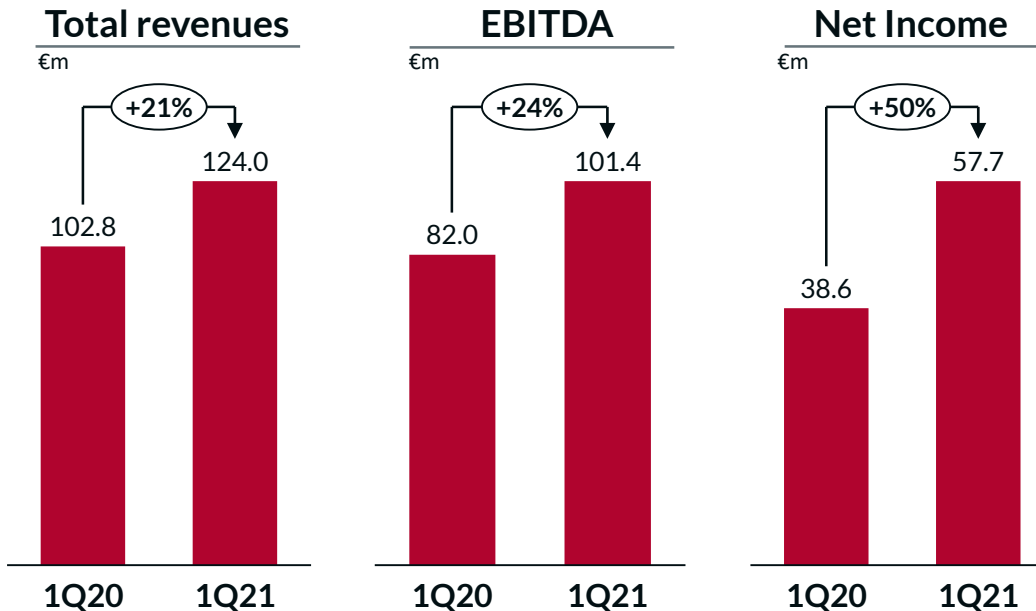
ANIMA... who

# 1Q21 Highlights

- ▶ 1Q21 marks the highest quarterly level in the Group's history for total AuM, fixed fees as well as total revenues and net profit
- ▶ Negative flows of Q1 fully recovered in April
- ▶ Outlook for the year remains very positive also in comparison with 2020FY

**195.3 AuM (€bn)**  
+11% vs. 1Q20

**-0.3 Net New Money (€bn)**  
excluding Class I mandates

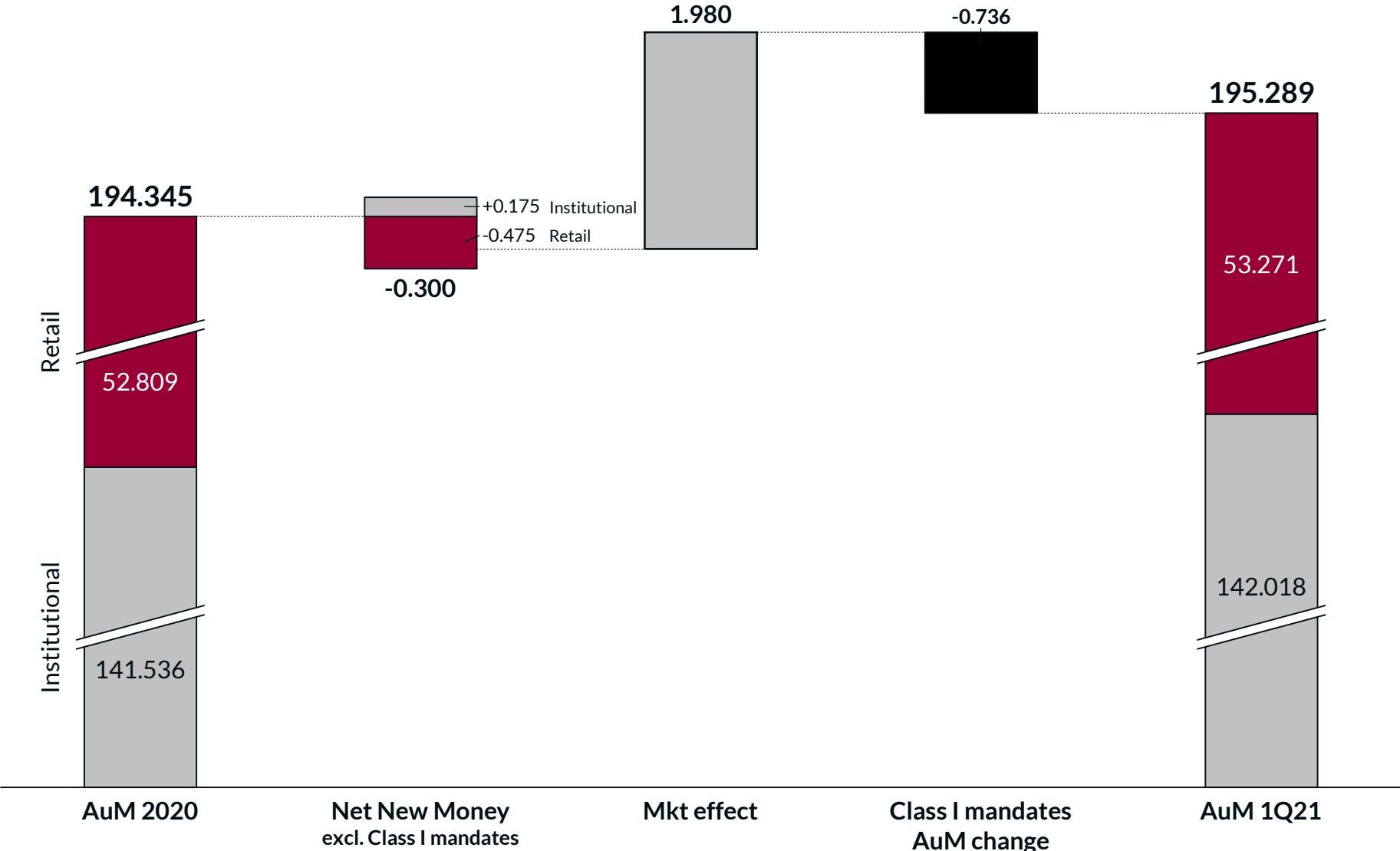


**124.0 Total revenues (€m)**  
+21% vs. 1Q20

**101.4 EBITDA (€m)**  
+24% vs. 1Q20

**57.7 Net Income (€m)**  
+50% vs. 1Q20

# 1Q21 AuM evolution

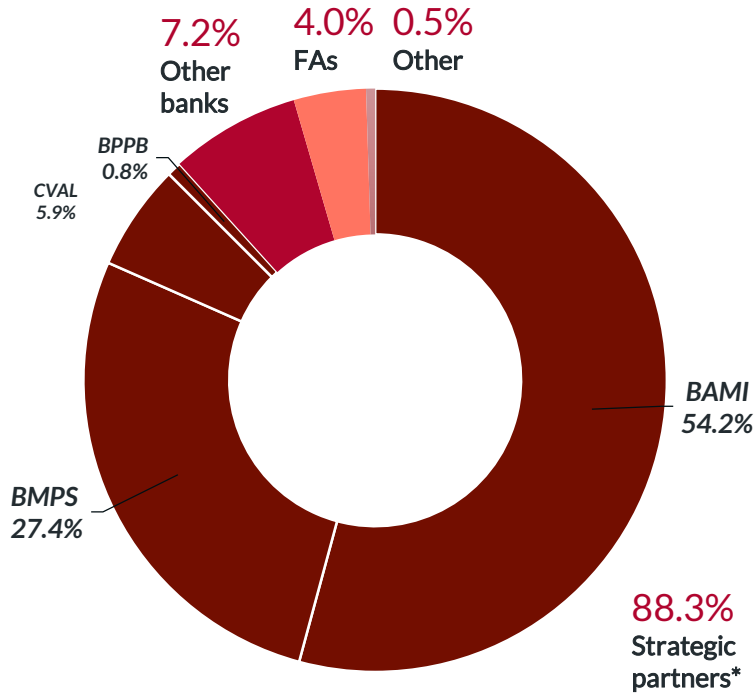


Source: ANIMA, data in € bn

# Business by segment

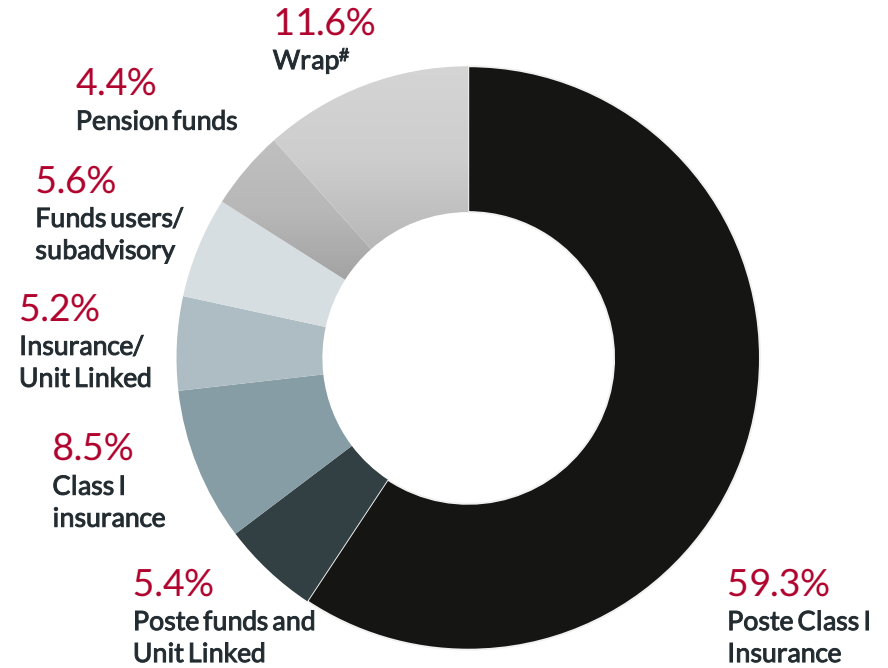
## Retail

27% AuM = €53.3bn



## Institutional

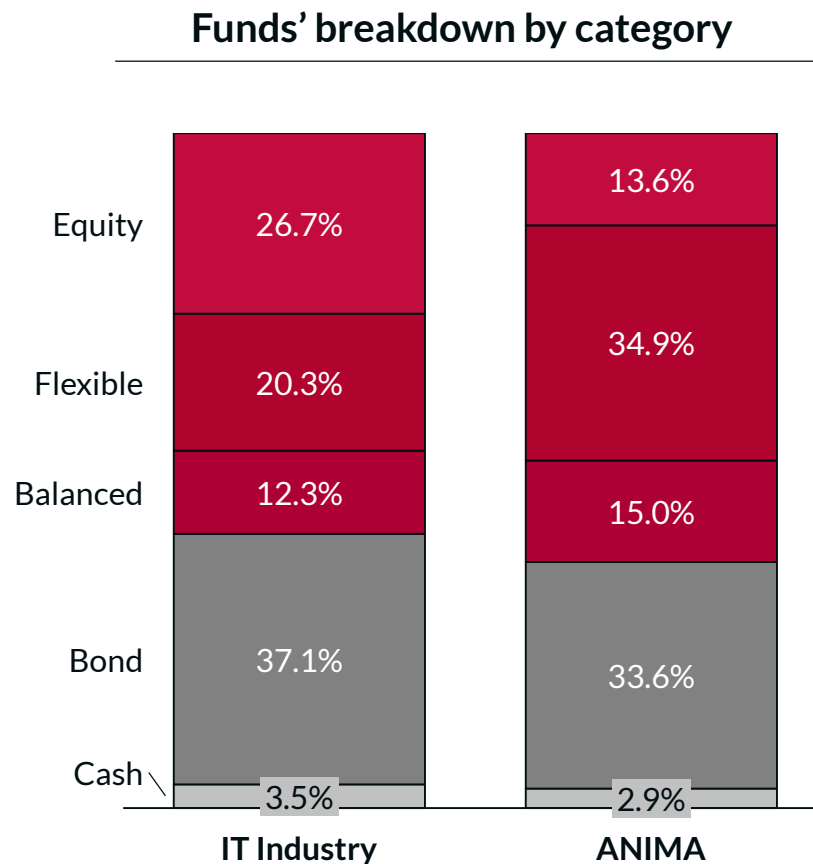
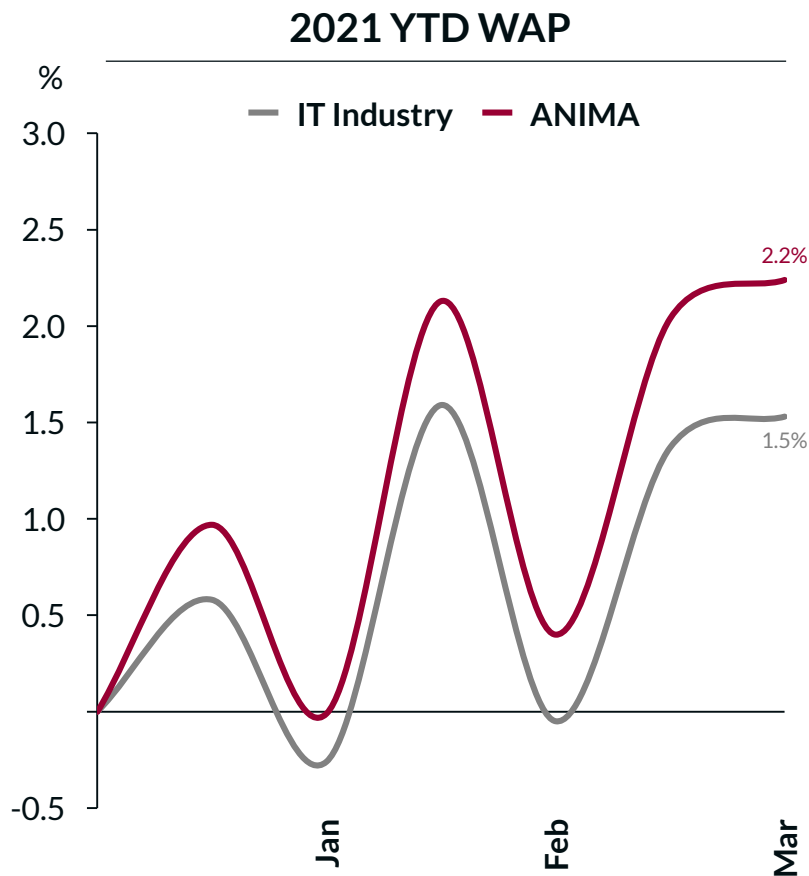
73% AuM = €142.0bn



Source: ANIMA as of 31-Mar-21 \*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

# 02

ANIMA... how much



# Consolidated P&L

€m	1Q21	1Q20		2020
Net revenues	80.548	79.664		301.790
Performance fees	43.422	23.131		78.379
<b>Total revenues</b>	<b>123.970</b>	<b>102.795</b>	<b>+21%</b>	<b>380.169</b>
Personnel cost	(13.841)	(12.168)		(47.603)
o/w fixed	(8.738)	(8.325)		(33.762)
o/w variable	(5.103)	(3.843)		(13.841)
Other expense	(8.704)	(8.665)		(33.485)
<b>Total expense</b>	<b>(22.545)</b>	<b>(20.833)</b>		<b>(81.088)</b>
<b>EBITDA</b>	<b>101.425</b>	<b>81.962</b>	<b>+24%</b>	<b>299.081</b>
Non recurring costs	(0.619)	(3.343)		(5.964)
LTIP expense	(0.850)	(0.463)		(1.905)
Other income/(cost)	0.065	(3.463)		2.208
D&A	(10.847)	(13.175)		(53.199)
<b>EBIT</b>	<b>89.174</b>	<b>61.518</b>	<b>+45%</b>	<b>240.221</b>
Net financial charges	(2.425)	(2.477)		(10.034)
<b>PBT</b>	<b>86.749</b>	<b>59.041</b>	<b>+47%</b>	<b>230.187</b>
Income tax	(29.084)	(20.477)		(74.815)
<b>Net income</b>	<b>57.665</b>	<b>38.564</b>	<b>+50%</b>	<b>155.372</b>
<b>Adjusted net income</b>	<b>67.537</b>	<b>50.231</b>	<b>+34%</b>	<b>197.112</b>

bps/avg AuM	1Q21	2020	1Q20
Retail	25.4	26.4	28.5
Institutional	10.5	10.1	10.2
<b>Average</b>	<b>14.6</b>	<b>14.7</b>	<b>15.5</b>

- ▶ Retail margins “optically” decreasing mainly attributable to the profitability of the equity component of target date funds, invested through FoFs and booked in the (growing) institutional margin
- ▶ Total margin slightly down due to low fee Class I strong increase and other institutional assets growth

Cost/income	1Q21	2020	1Q20
on total revenues	18.2%	21.3%	20.3%
ex performance fees	28.0%	26.9%	26.2%

- ▶ Cost income excluding performance fees remains under control also considering increase of variable compensation linked to record performance fees
- ▶ Tax rate substantially stable and including intercompany charge (approx 4% on the dividends paid by the AM company to the Holdco)

# Net fees and personnel cost

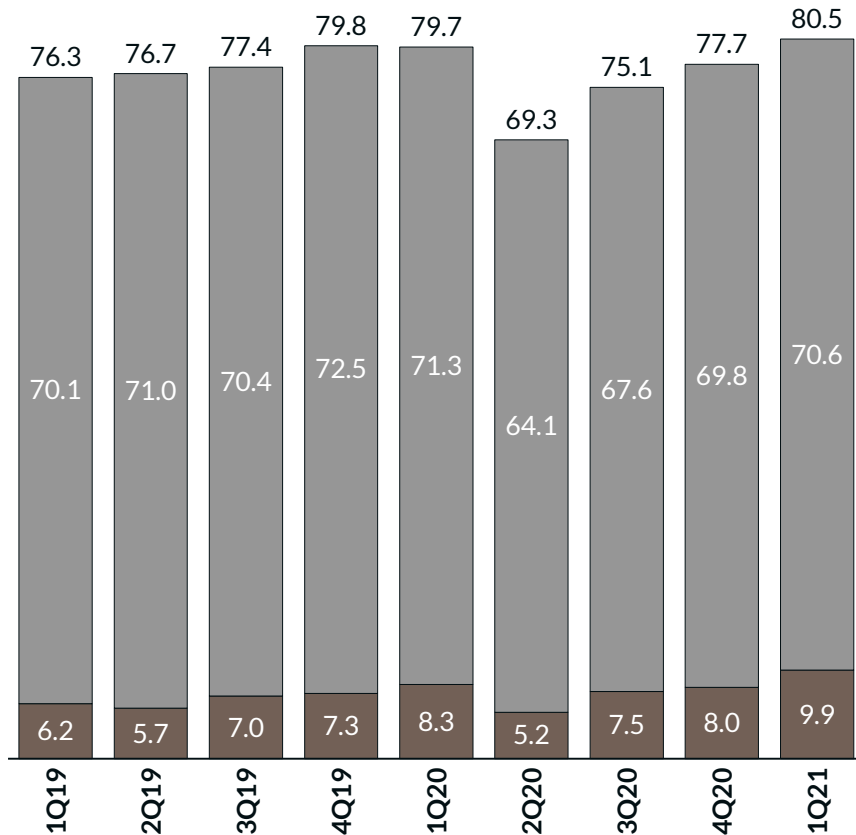
- ▶ Net fees continue the recovery after 1Q20 market shock and reached the highest historical level in the current quarter

- ▶ Growth in variable compensation in the quarter driven by the very high contribution of performance fees and overall Group's results

## NET FEES

Data in €m

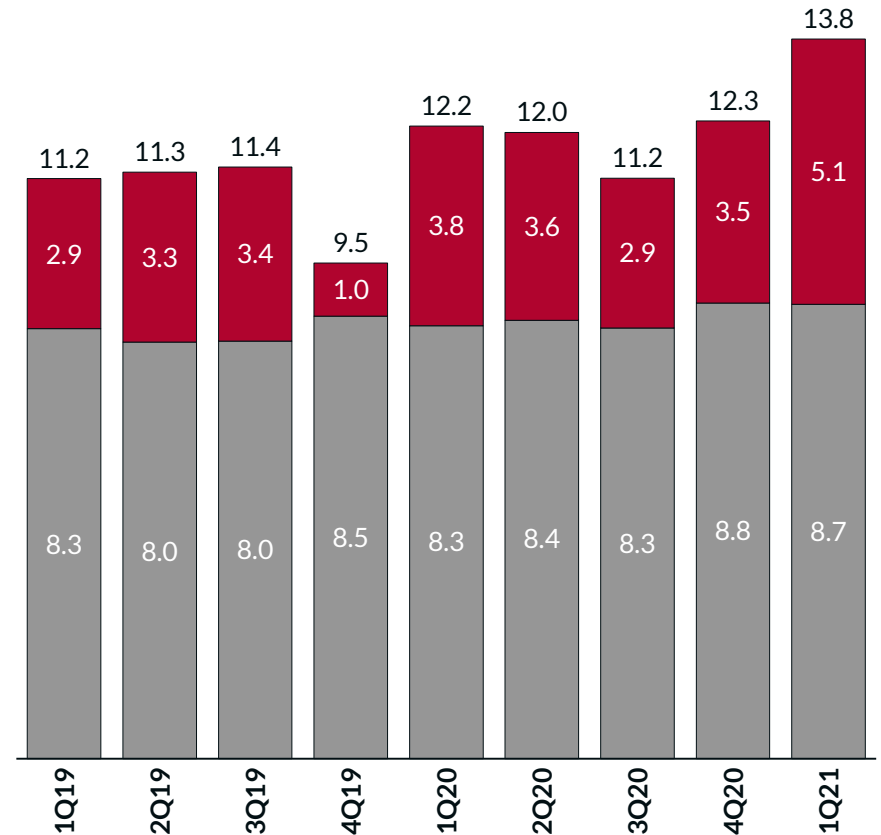
■ Net fees ■ Other income



## PERSONNEL EXPENSES

Data in €m

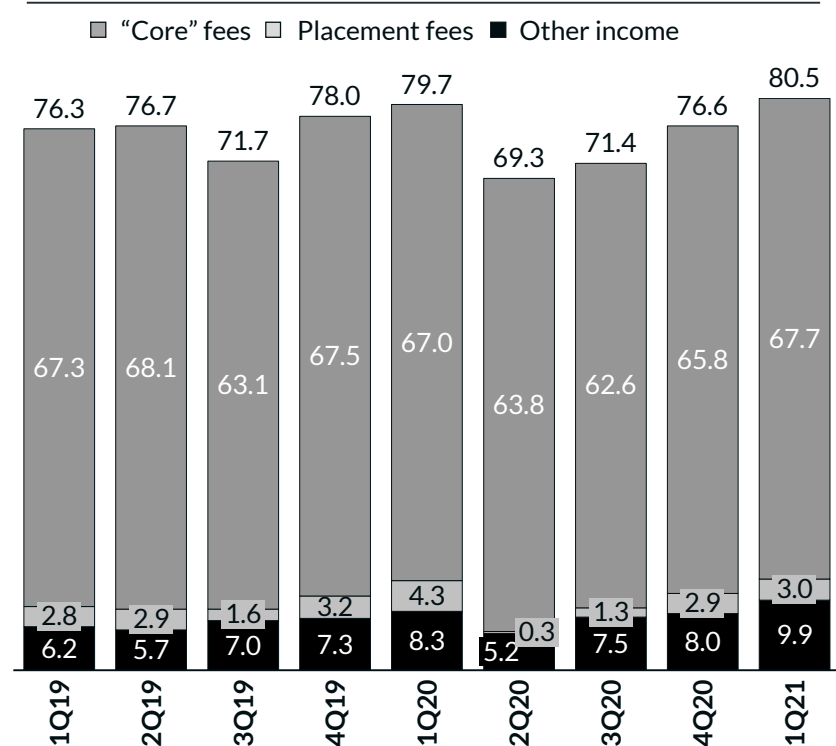
■ Fixed ■ Variable



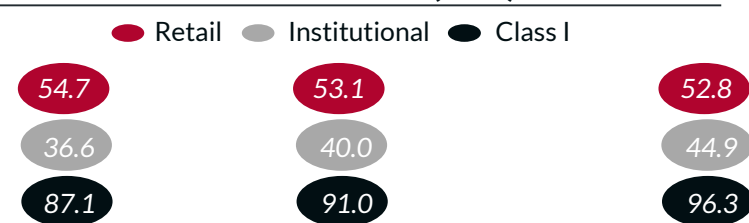
# Focus on fixed fees

- ▶ «Core» fees continuously growing and very close to their historical maximum of 2Q19, even if average retail AuM is €1.9bn lower
- ▶ This growth relies on a positive product mix in gross sales, with a relevant number of new funds having a gradual increase in the equity component, which reached 28% of total AuM in mutual funds at the end of Q1
- ▶ Institutional margin (excl. Class I) increases mainly because of the wrap component, through which the Group ensures the equity exposure of target date funds, splitting part of the retail profitability to the institutional segment
- ▶ Placement fees (anticipation of the rebate to distributor and in small part to the asset manager from the NAV of target date funds with tunnel period) are back to a normal contribution in 1Q21
- ▶ Positive trend of other income is mainly linked to administrative expenses steadily growing in line with Group's customer base
- ▶ Such admin fees are very low on individual basis (usually between 2€ and 9€), but generated by a large amount of clients and are charged in case of transactions such as subscriptions, redemptions, certificates request, coupon payment...

## NET FEES (€m)



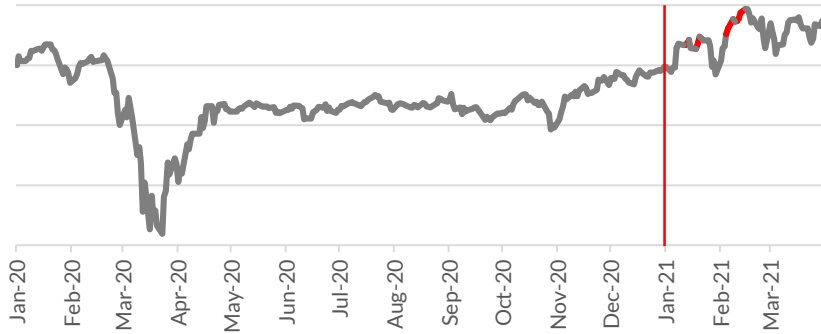
## AVERAGE AUM (€bn)



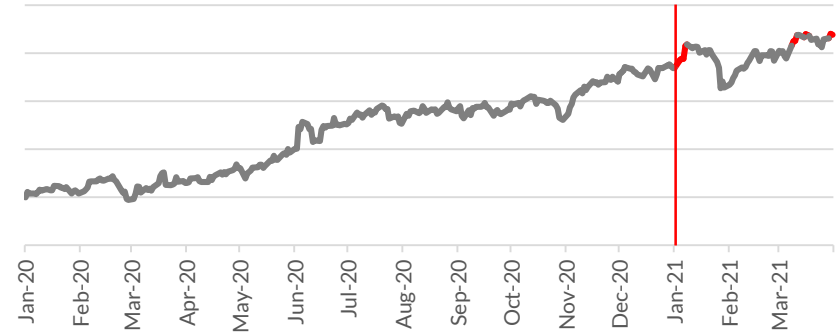
# Focus on 1Q21 performance fees

## Largest contributors in Q1

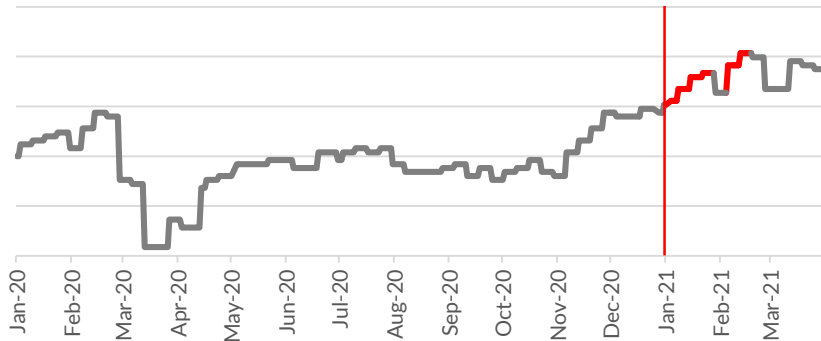
ANIMA Fondo Trading (F)



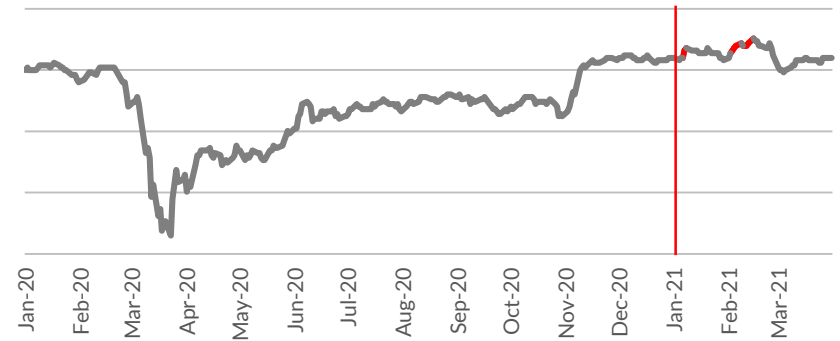
ANIMA Alto Potenziale Europa (F)



ANIMA Programma Cedola 2023



Gestielle Multi Target V

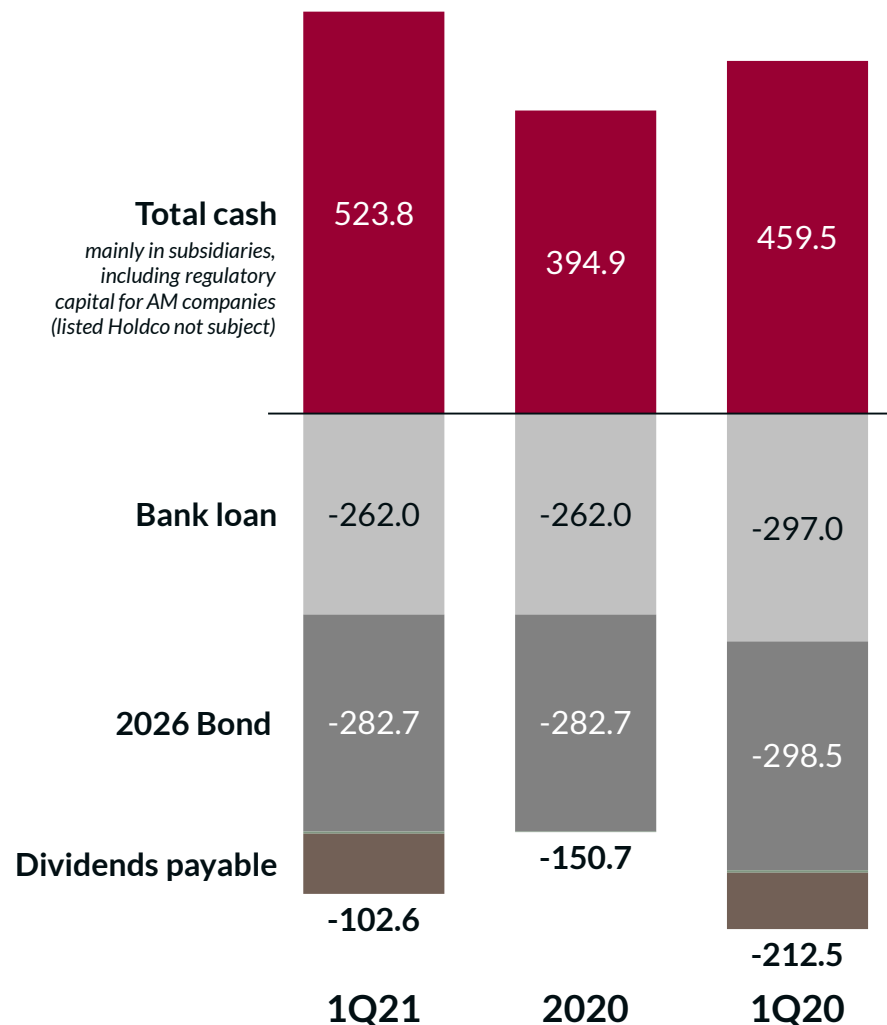


- ▶ Very strong contribution of performance fees coming from funds using an absolute HWM (no reset); fees are accrued and cashed every time the NAV is above the highest level recorded since inception
- ▶ Fees cashed both on open ended and target date funds, especially in the first two months, with many strategies very close to, or again above the historical HWM in April

# Consolidated Net Financial Position

€m	1Q21	2020	1Q20
Bank loan	(262.0)	(262.0)	(297.0)
Bond 2019-26 1.75%	(282.7)	(282.7)	(298.5)
Accrued interest expense	(3.0)	(0.9)	(3.2)
Dividends payable	(78.7)	-	(73.3)
<b>TOTAL DEBT</b>	<b>(626.5)</b>	<b>(545.6)</b>	<b>(672.0)</b>
Cash	425.6	288.4	370.4
Securities	95.5	90.2	87.2
Performance fees receivable	2.7	16.3	1.9
<b>TOTAL CASH &amp; EQUIVALENT</b>	<b>523.8</b>	<b>394.9</b>	<b>459.5</b>
<b>CONSOLIDATED NFP</b>	<b>(102.6)</b>	<b>(150.7)</b>	<b>(212.5)</b>
<i>NFP / EBITDA</i>		0.5x	

- ▶ Strong cash generation leaving full optionality for capital allocation and possible M&A
- ▶ New €300m bond issued after Q1:
  - ▶ only partly used to pay down the banking debt
  - ▶ higher debt duration to increase the company quick capability to exploit potential strategic options

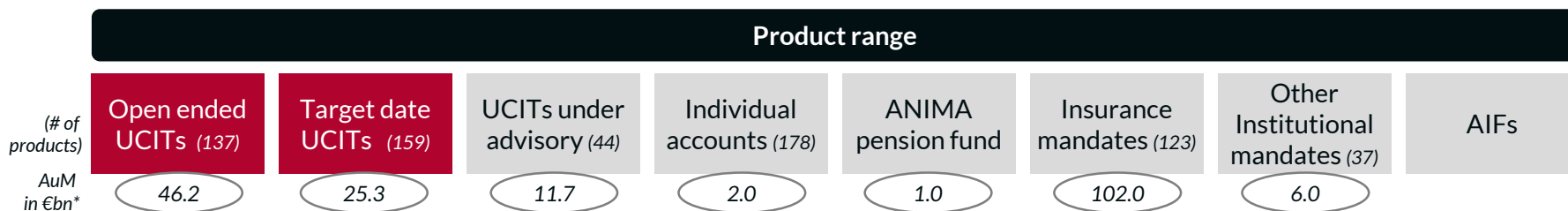


# 03

ANIMA... why

# A sophisticated industrialised machine

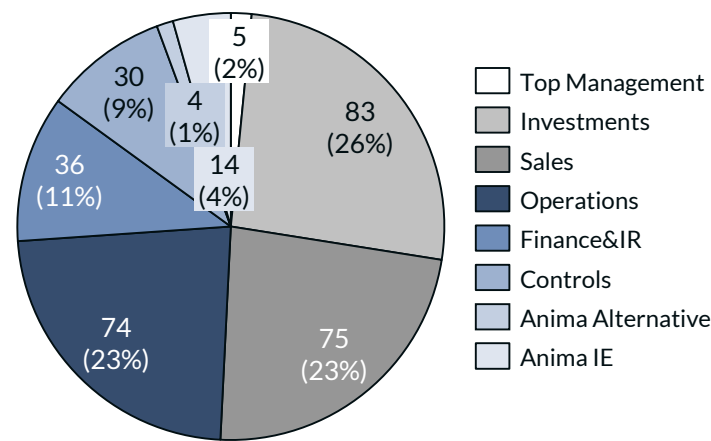
- ▶ In order to actively target the huge liquidity pool sleeping on current accounts what we offer to our distribution partners is a very sophisticated and industrialised Group, which keeps evolving to quickly adapt to the environment which is always characterised by new challenges (first and foremost the lack of yields, and more recently the consequences of the pandemic on financial markets and real economy)



**Investment Division**

Alpha Strategies	Fixed Income & Currencies	Quant Strategies	Individual Mandates
Global Equity	Government Bonds	Artificial Intelligence	Insurance Mandates
Equity Europe	High Yield	Multi-Asset Quant	Retail Mandates
Global Equity Value	Balanced	Multi-Manager	Institutional Mandates
Italian Equity	Absolute/Total Return	Solutions	
Multiasset	Credit IG		
EM Equity			

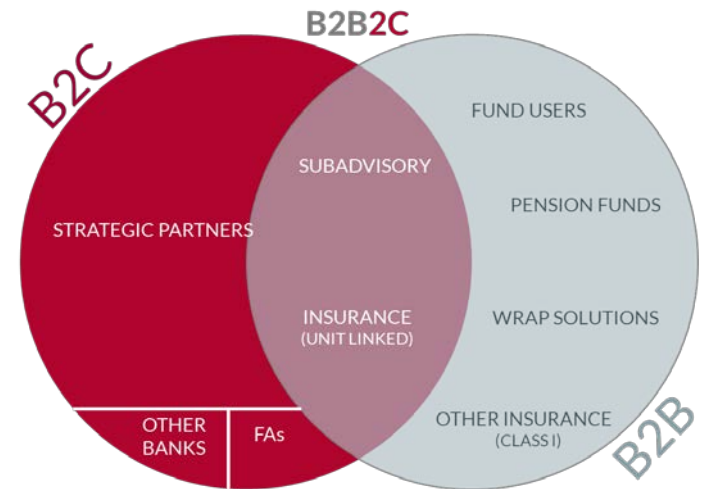
**Total FTEs: 320**      AuM/FTE: €607m



\*as of 31 December 2020 – AIF first product launched in January 2021

# 2021 focus is fixing retail... but what exactly is retail?

- ▶ ANIMA is a pure B2B player, since it's not vertically integrated between production (AM) and distribution
- ▶ The vast majority of AuM is linked to retail (typically lower affluent customers) buying through a distributor either ANIMA funds (**Retail** segment) or other solutions managed by ANIMA (life insurance both traditional or U/L, advised or submanaged funds, or the already mentioned wrap component), which has to be classified under an accounting point of view as **Institutional** counterparty
- ▶ We continue to grow especially where we have very strong and long term links with distributors (BAMI is a positive contributor in the past 5 years), so that we aim at further strengthening our ties with strategic partners and at adding new ones in an additional diversification effort
- ▶ Likewise, in the same period, we lost some ground after Mifid II implementation led to a reduction in the number of counterparties chosen by banks in their open architecture to better address new regulatory complexities in managing various distribution relationships.
- ▶ We have to gain additional traction on our main partners to offset the inevitable loss in weaker channels to get back to a solid growth path in the retail segment





# Closing remarks

- ▶ The recent changes in the top line give a better diversification in the different items (generous rebates to distributors offset with higher amount of AuM eligible for performance fees, other revenues steadily increasing due to significant increase in the transactions generating administrative fees)
- ▶ Cost control: embedded in the corporate culture and undoubtedly demonstrated in the past 7 years as a listed company, always well below 30% notwithstanding investments in new initiatives
- ▶ The low cost income ratio should not overshadow the high amount of ongoing investments:
  - ▶ Full exploitation of the new AM competences after full integration of Aletti Gestielle
  - ▶ Creation of the internal Research Team
  - ▶ Development of the AIFs business
  - ▶ Development of Artificial Intelligence competences both for product development and for increased efficiency in AM
  - ▶ Robo-advisor platform to be ready for changes in the interactions with final customers



- ▶ Q1 figures show how ANIMA is able to fully exploit the operating leverage, which is the key driver in our industry, as it proves the ability to manage margin pressure in a sustainable, profitable way, and that the increase in profits is more than proportional to the increase in total revenues
- ▶ And reminding that even paying «only» 50% of the reported net income in dividends to retain cash for M&A opportunities (with no regulatory constraints), translates into a yield currently in the region of 5%

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