

Fixed Income Investor Presentation

Anima Holding

October 2020



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Anima overview

Anima key credit strengths

1 Leading independent Italian asset manager

- Anima is the largest independent asset manager in Italy with a wide product offer to serve both retail and institutional customers
- Total AuM at €188bln⁽¹⁾, more than doubled since 2017
- The industry has a long term growth potential, particularly in Italy where over 50% of the total households' financial wealth sits on current accounts or is invested in fixed income products⁽²⁾

2 Profitable, predictable and highly cash generative

- Revenues rely on stable management fees with performance fees typically accounting for roughly 10% of total revenues
- Anima Holding's Adjusted EBITDA margin steadily well above 70% over the last years, bolstered by effective cost control

3 Credit rating assessment

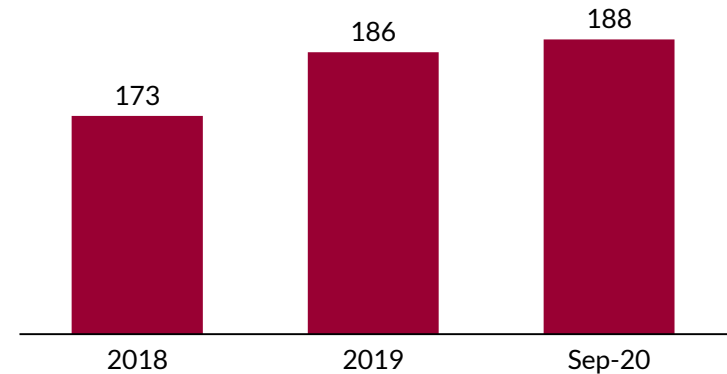
- In May 2020, FitchRatings affirmed Anima Holding long term rating at corporate level and senior unsecured long term rating at BBB- (stable outlook)
- Anima Holding's credit rating is in line with Rep. of Italy's
- The rating reflects the Company's sound franchise within the Italian AM industry, its robust asset performance, strong EBITDA margins and sound liquidity profile

Note: 1. Data as of 30-Sep-2020. 2. Source Eurostat, OECD, BCE, Assogestioni, FitchRatings

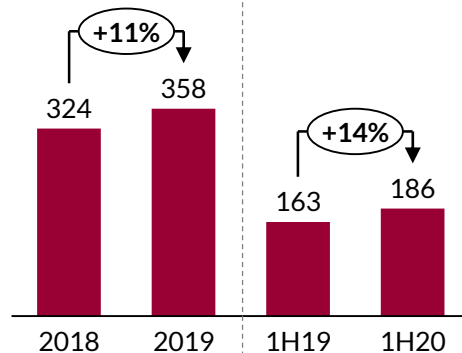
Anima – who we are

- ▶ **Leading Italian independent asset manager with ca.€188bln AuM⁽¹⁾**
- ▶ **Distinctive distribution capabilities in the retail space:**
 - **strategic partnerships with major Italian banks**, such as Banco BPM, Banca Monte dei Paschi di Siena, Credito Valtellinese and Banca Popolare di Puglia e Basilicata, **providing preferential access to more than 3,600⁽²⁾ banking branches**
 - **commercial partnership with Gruppo Poste Italiane**
- ▶ **Wide product offering for retail and institutional customers**, including Italian mutual funds, individual portfolio management and pension funds
- ▶ **Proven track record of successful and disciplined external growth also through the acquisition of Aletti Gestielle, Banco BPM insurance mandates and Poste Italiane mandates**

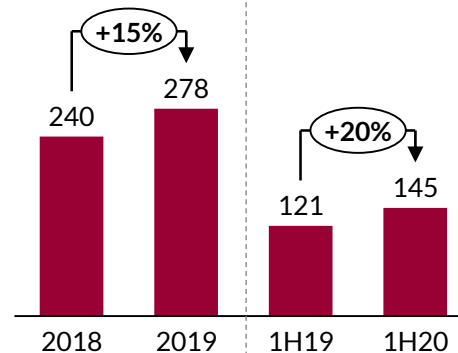
AuM (€bln)



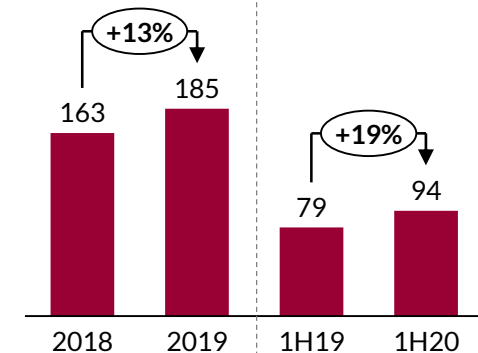
Total revenues (€mln)



EBITDA (€mln)



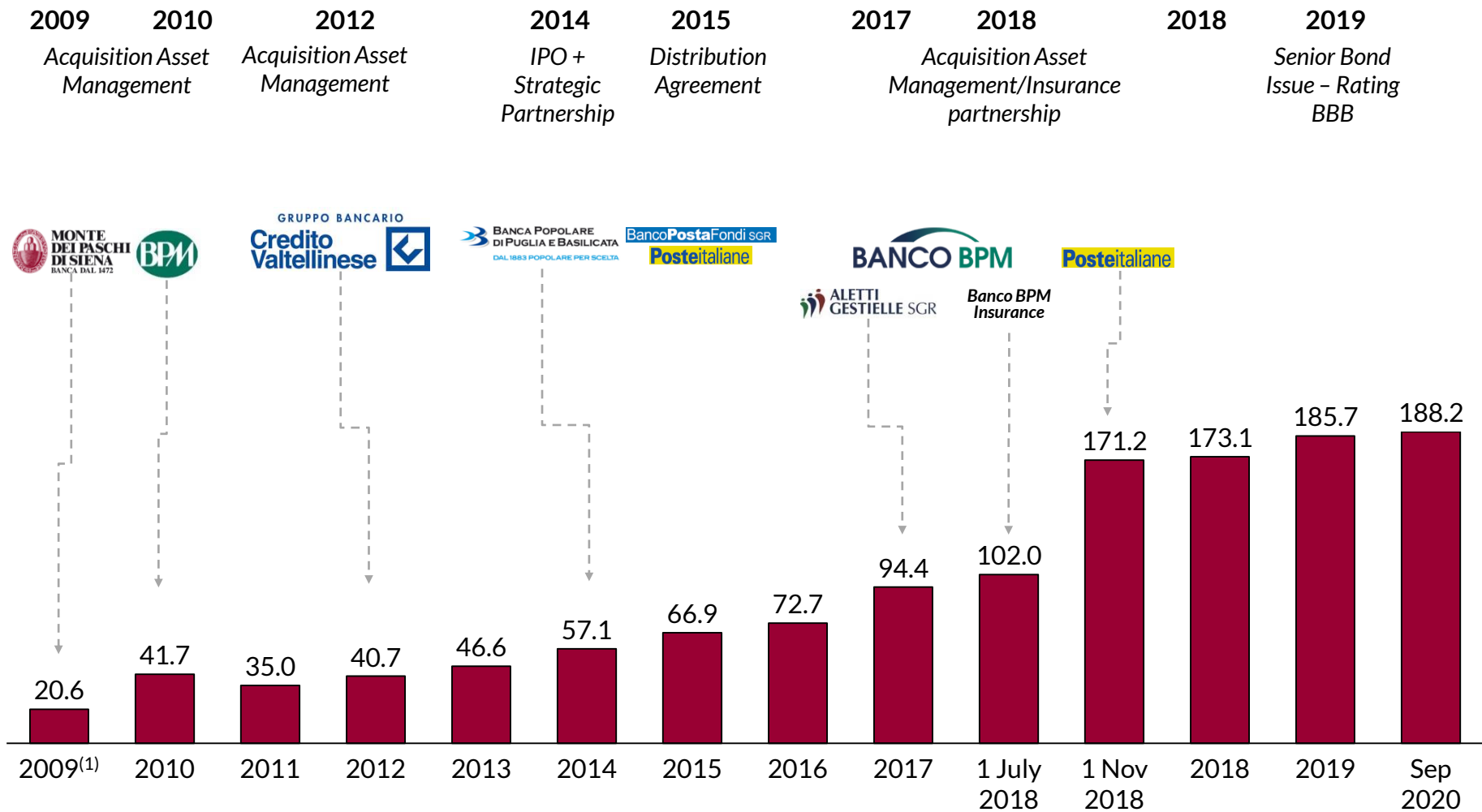
Adj. Net Income⁽³⁾ (€mln)



Note: 1. Data as of 30-Sep-2020. 2. Source: Italian banks annual reports as of FY2019. 3. Excluding one off expenses, non cash -out items such as PPA amortisation and LTIP expense.

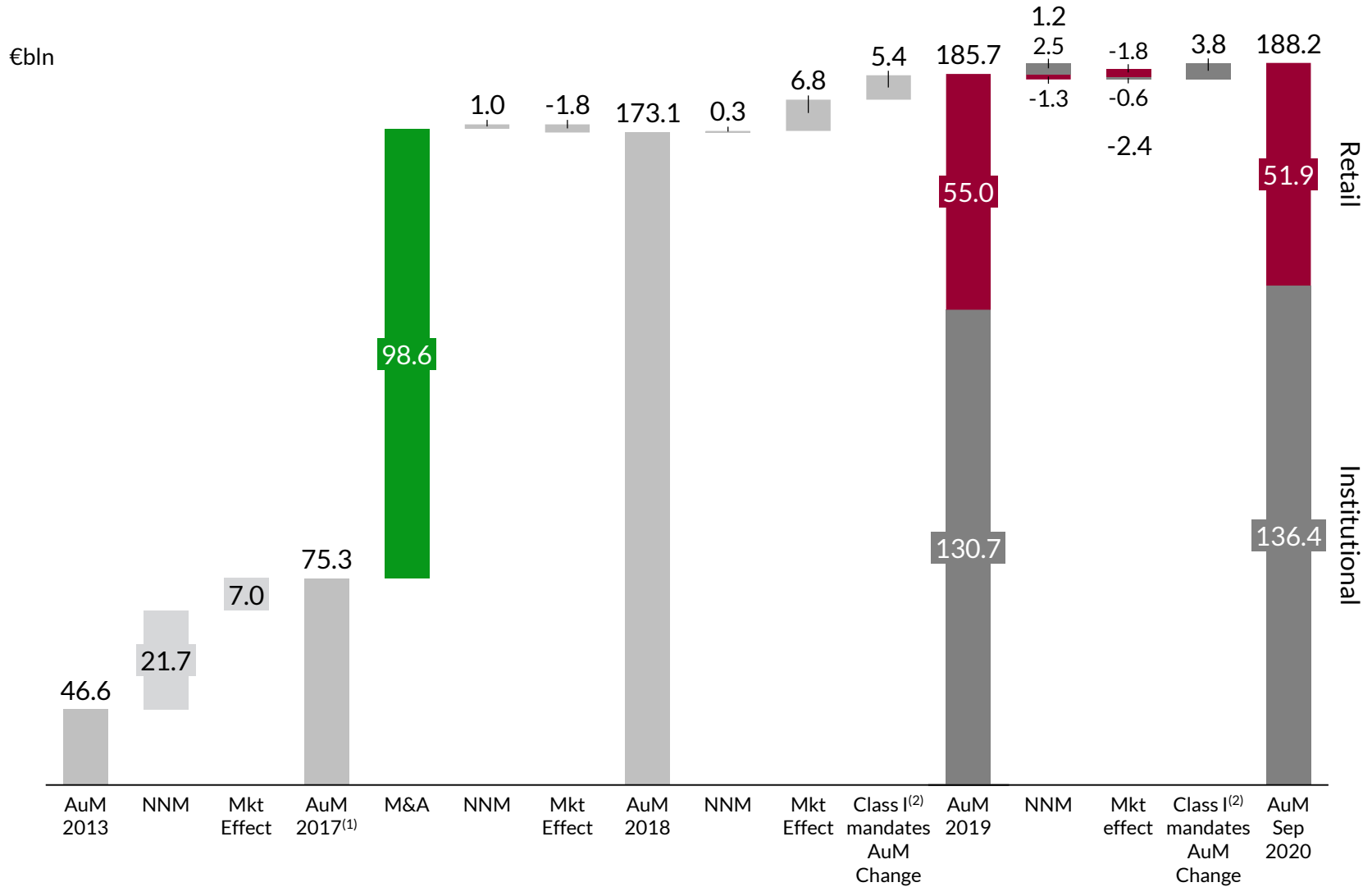
Anima – a consolidator in the AM industry

AuM evolution, 2009-2020.09, €bln



Source: Assogestioni; Anima. Note: 1. AuM before merger Anima SGR and Prima SGR.

Sustained growth through organic and inorganic measures



Source: ANIMA. Note: 1. Excluding Aletti Gestielle AuM transferred on 27-Dec-2017. 2. Class I refers to traditional life insurance

02

Key Investment highlights

Anima key investment highlights

ANIMA



1

Public company with relevant core shareholders

2

Strong management team with proven track record

3

Leading independent Italian asset manager operating in a market rebounding after the lockdown

4

Unique model built across retail and institutional clients

5

Largest distribution network in Italy

6

Revenue stream deriving from long term contracts

7

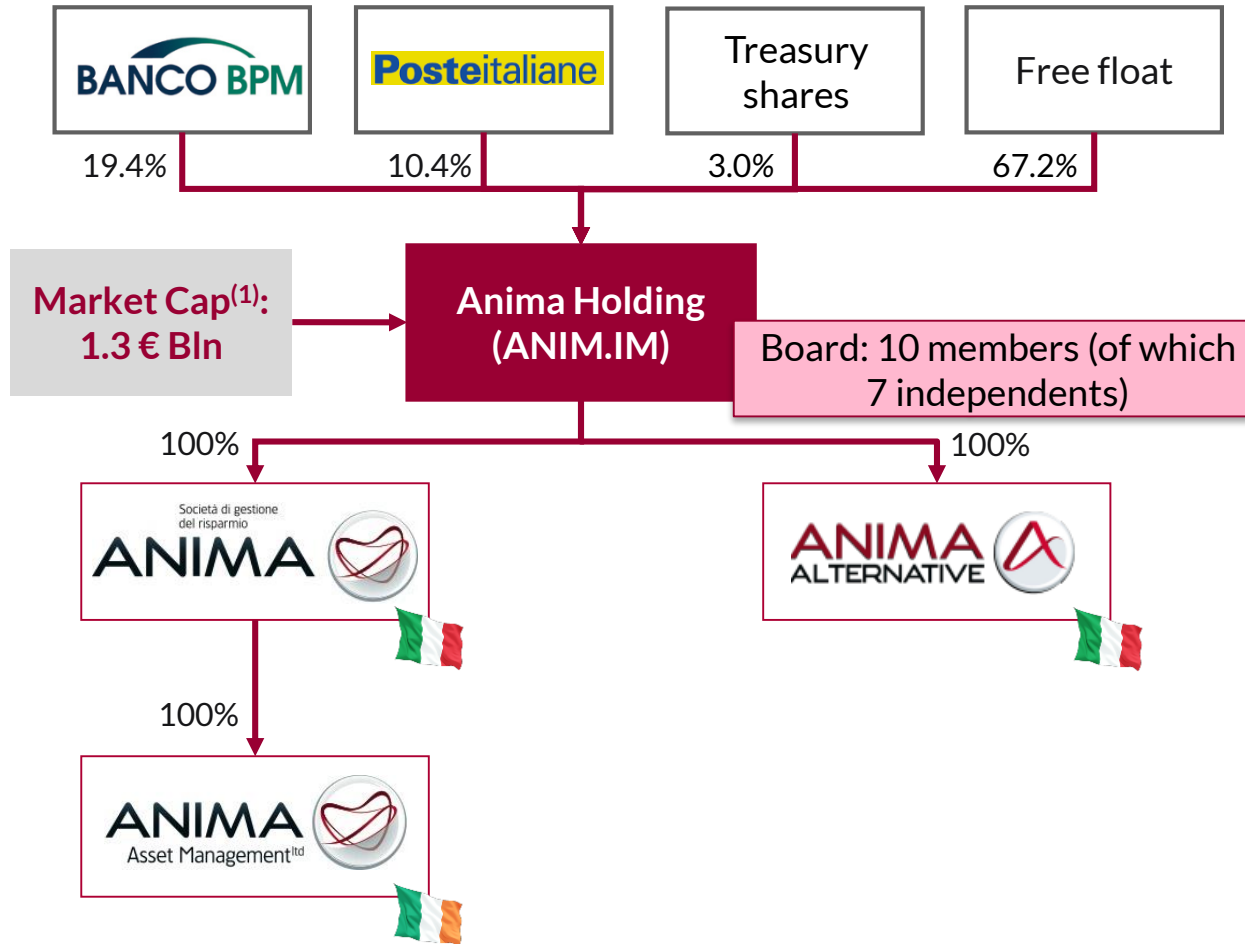
Resilient profitability and cash generation in all market conditions

8

Solid balance sheet and limited leverage

1 Public company with relevant core shareholders

Shareholding and Group Structure
Sep 2020, %



Note: 1. Market Cap as of 12-Oct-2020

Strong management team with proven track record



Livio Raimondi (2018)

Chairman of Anima Holding, Chairman of Anima SGR

Formerly GM of Allianz Global Investors Italy (1998-2012) and CIO at Previp Fondo Pensione (2012-2017)



Alessandro Melzi d'Eril (2011)

CEO and GM of Anima Holding, CEO and GM of Anima SGR and Chairman of Anima Alternative

Formerly CFO of Anima Holding and investment director at Clessidra (2004-2011)



Pierluigi Giverso (2009)

Co-GM of Anima Holding, Commercial Director of Anima SGR

Formerly manager with McKinsey (2003-2009)



Davide Sosio (2003)

Group CFO & HR Director

Formerly GM of Anima AM Ltd (2003-2018)



Filippo Di Naro (2017)

CIO of Anima SGR

Formerly CEO of Duemme Sgr (2009-2017), CIO at Sator Capital (2007-2009) and CIO at UBI Pramerica (2001-2007)



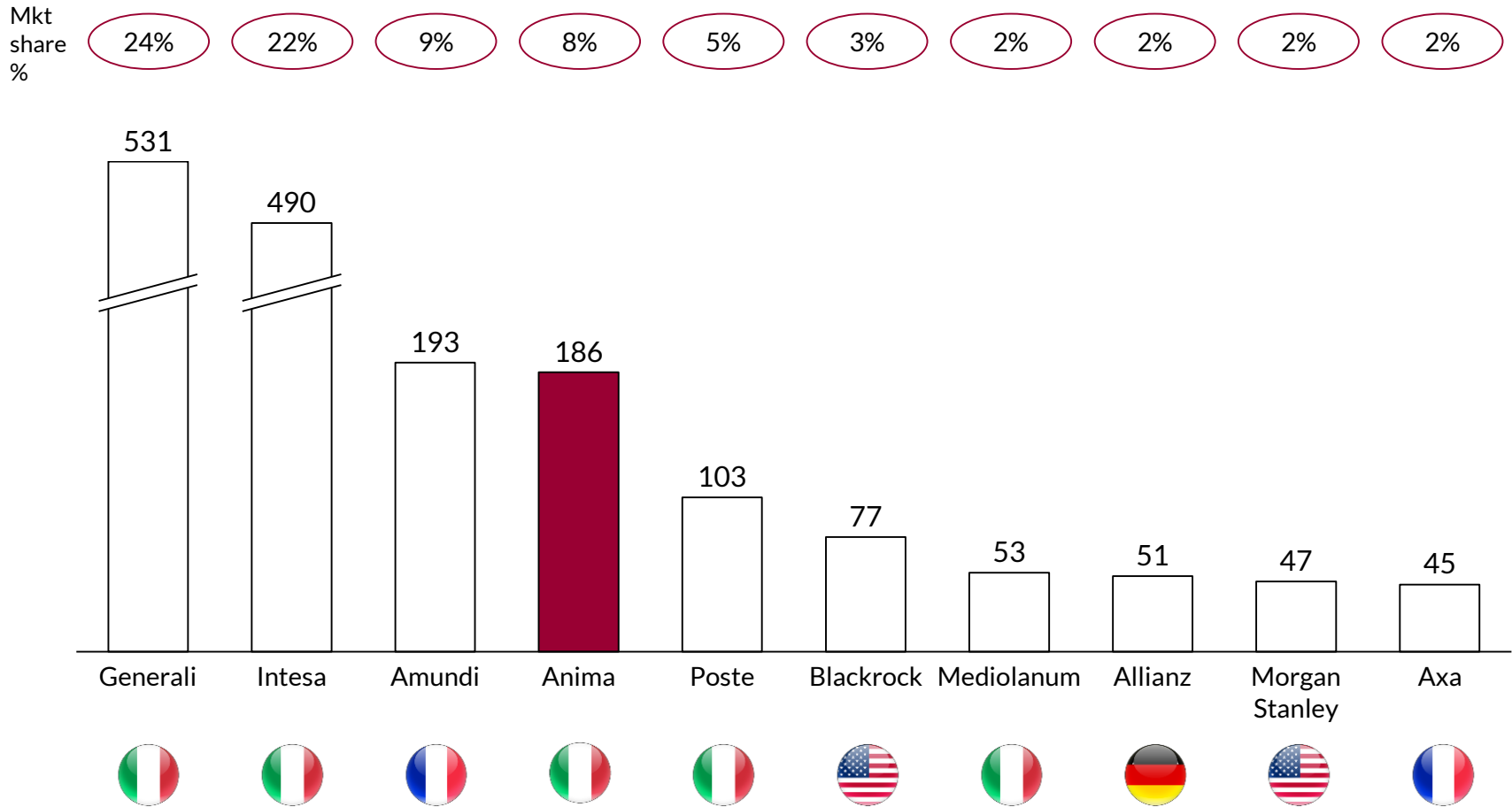
Francesco Betti (2000)

COO of Anima SGR

Formerly GM of Aletti Gestielle SGR (2000-2018)

3 Leading independent Italian asset manager...

AuM, August 2020, €bln

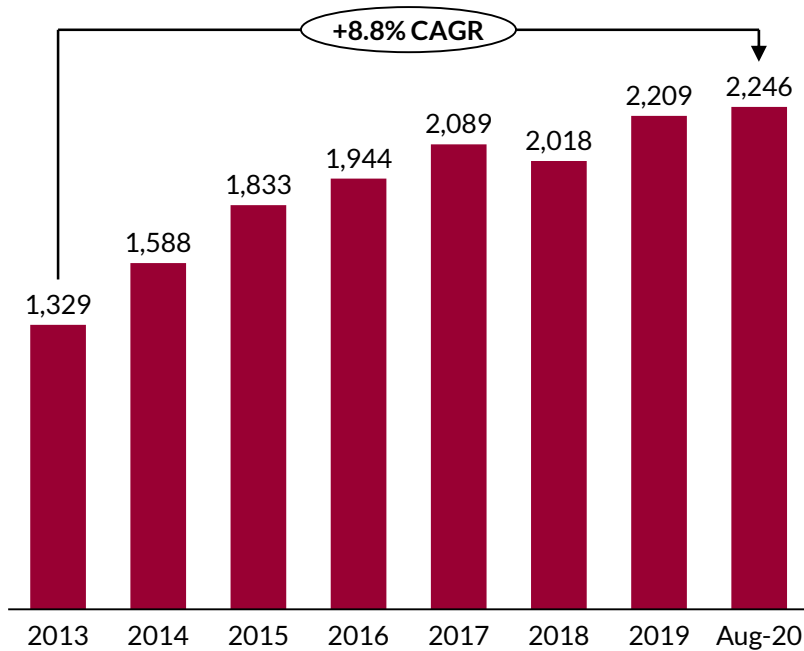


Source: Assogestioni, company data.

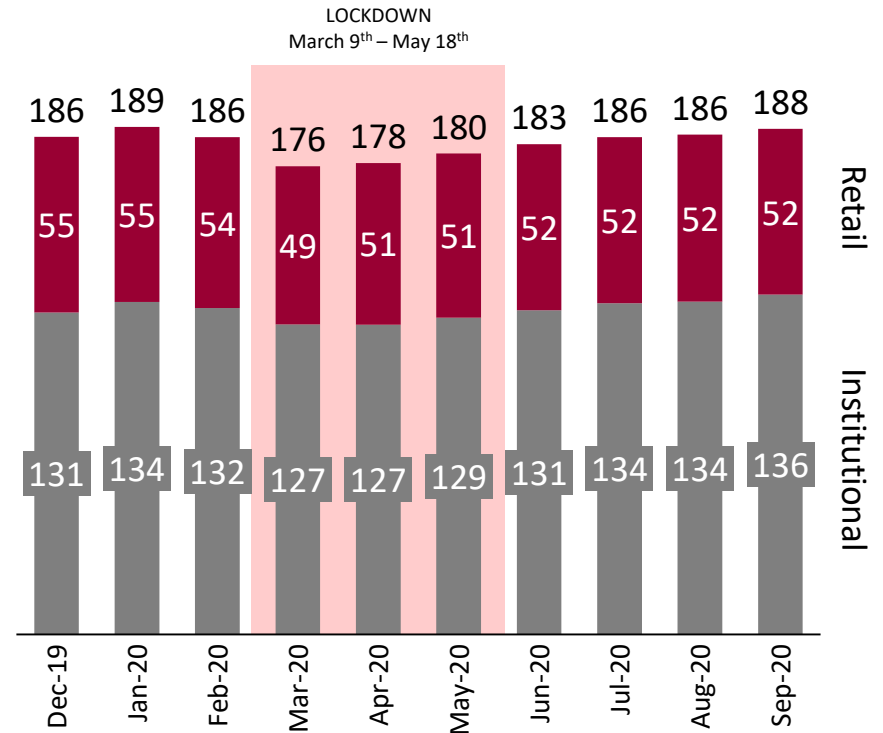
3 ...operating in a market rebounding after the lockdown (1/2)

- ▶ Italian asset management is a €2.2tn market supported by solid inflows and positive performances (ca.9% CAGR since 2013)
- ▶ 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

AuM in Italy evolution, €bln



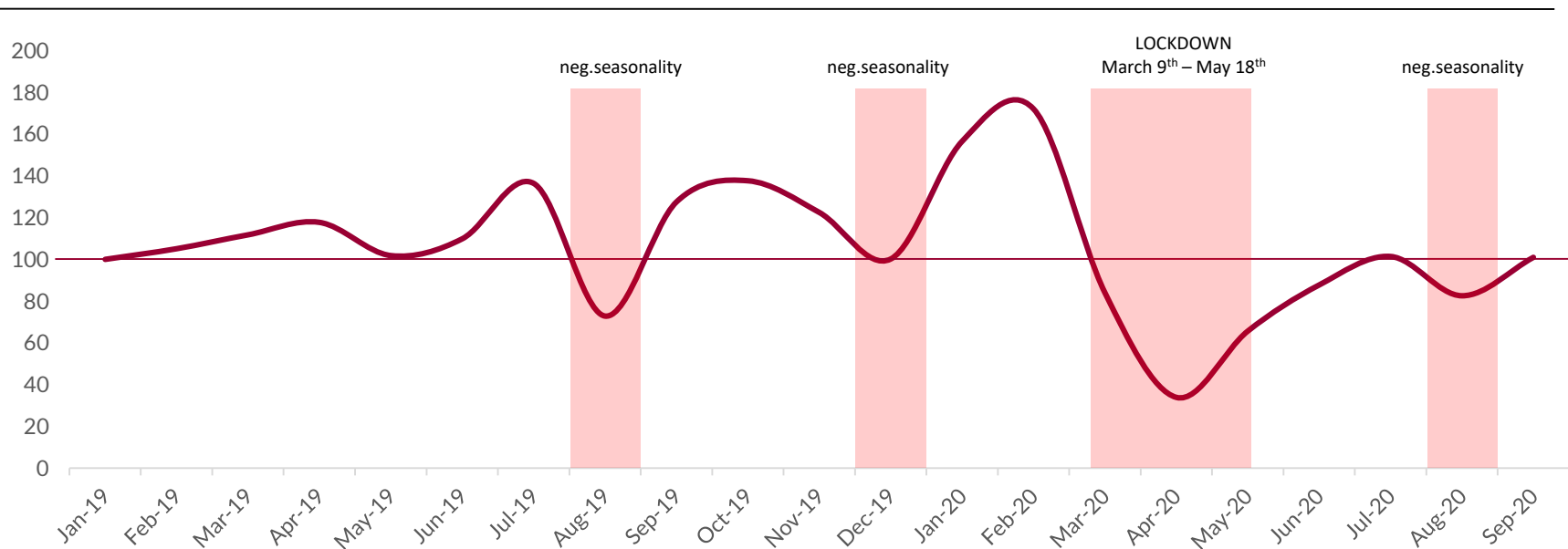
Anima AuM evolution, €bln



...operating in a market rebounding after the lockdown (2/2)

- ▶ Q2-2020 was a very peculiar quarter, characterised by 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
- ▶ After lockdown, retail gross flows rebounded and are now back to Jan-19 level. 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

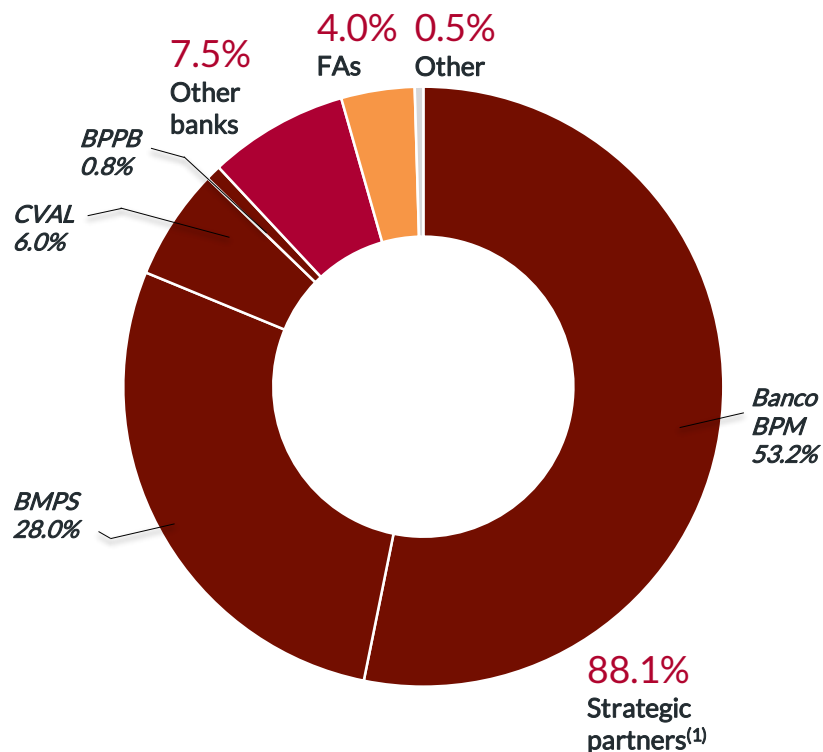
Anima retail gross inflows (base: Jan-2019 = 100)



Unique model built across retail and institutional clients

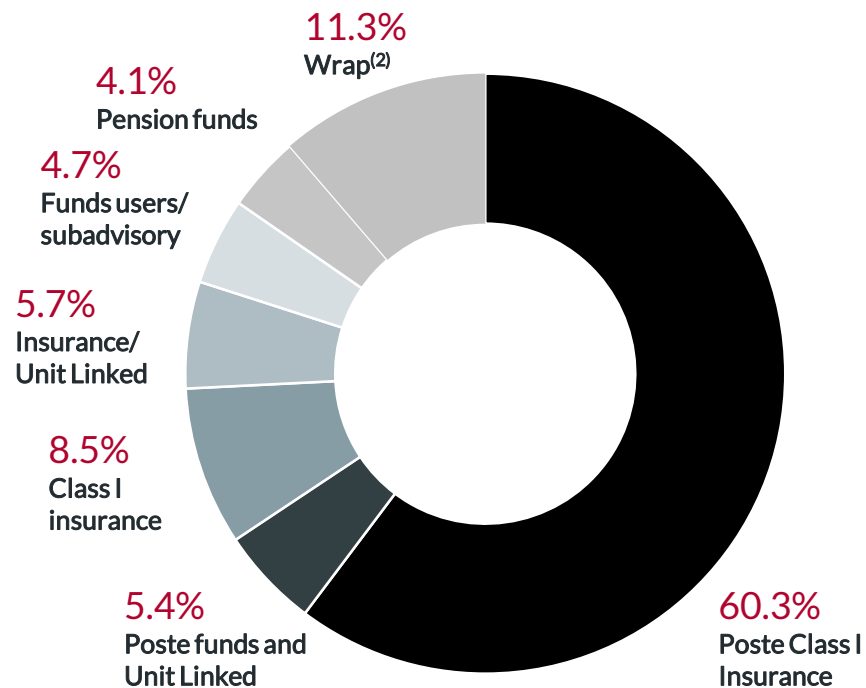
Retail

28% AuM = €51.9bln



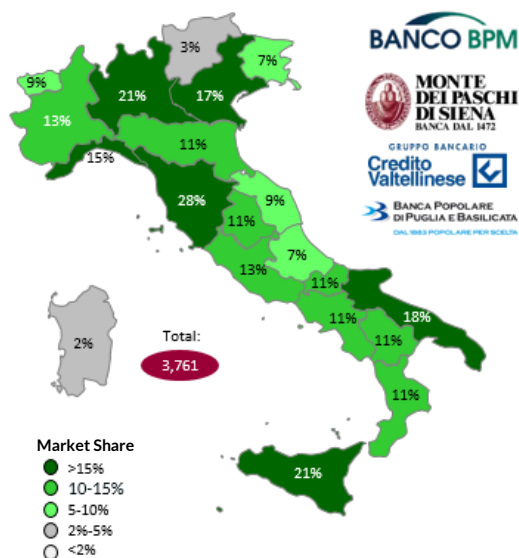
Institutional

72% AuM = €136.4bln



Source: ANIMA as of 30-Sep-2020. Note: 1. Includes BMPS, Banco BPM, Cre.Val. and BPPB. 2. Wrap: Anima funds invested by other products managed by Anima.

Largest distribution network in Italy



	# of branches	% of ANIMA's retail AuM
BANCO BPM	1,808	53.2%
MONTE DEI PASCHI DI SIENA BANCA DAL 1472	1,422	28.0%
Credito Valtellinese	362	6.0%
BANCA POPOLARE DI PUGLIA E BASILICATA	104	0.8%

Main features

The long-term strategic partnerships agreements include an **exclusive** «preferential» access

Exclusive: cannot be obtained by other AMs

Preferential: visibility and access to network significantly above any competitor

Joint steering committees
responsible for distribution and marketing initiatives

Tailor-made products
e.g. custom target date funds, right of first choice

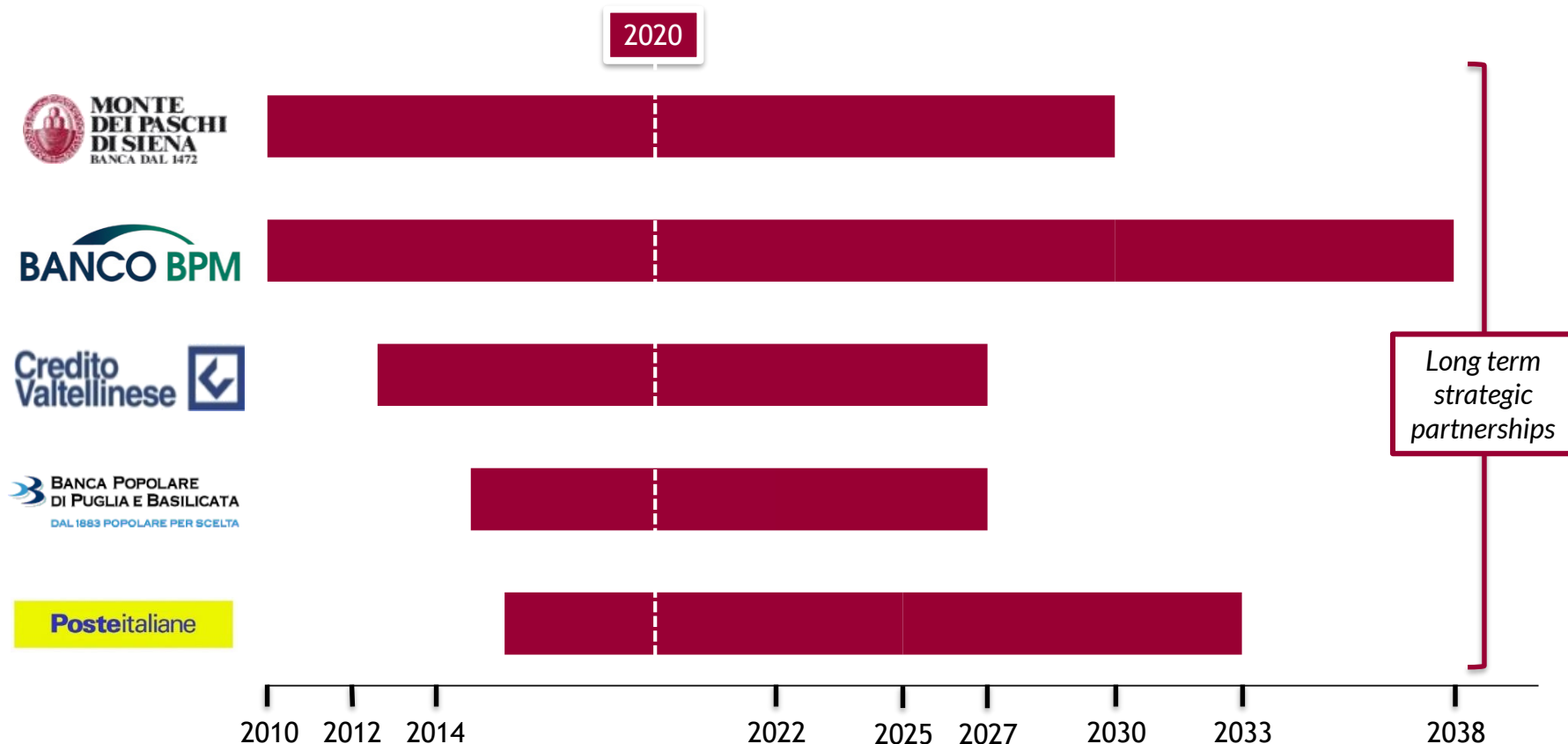
Sales support
(on-site - branches):
dedicated RMs (for partners), supported by market/product specialists

Training
in-house (e.g. Accademia Anima), remote (e.g. conf-call, webinars)

Marketing
personalized access to Anima B2B portal, sales support materials (e.g. totem in branches)

Source: Company data (# of branches as of 2019 EoP). Data as of 30-Sep-2020 for ANIMA AuM

Revenue stream deriving from long-term contracts covering retail mandates...



In addition, 90+ distribution agreements with banking groups and financial advisors' networks in Italy

... as well as institutional mandates



- ▶ In February 2018, **Banco BPM** and Anima announced the **acquisition of the delegated portfolio management activities** of Banco BPM insurance business **carried out by Banca Aletti**. Following such transaction, Anima manages ca. €16bln AuM of insurance products referred to Banco BPM
- ▶ **20-year strategic partnership** in the **insurance business** between **Banco BPM** and **ANIMA**

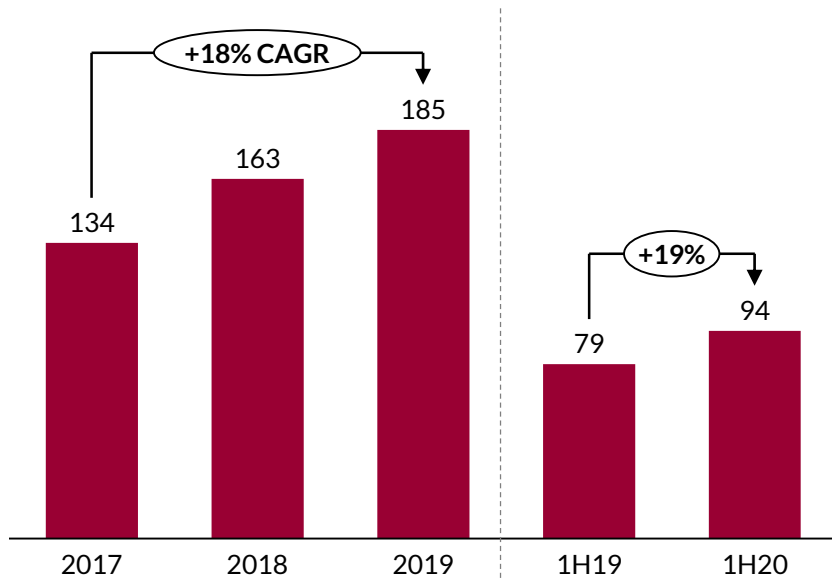
Posteitaliane

- ▶ In **March 2018**, Poste Italiane and Anima Holding signed the implementing agreements for the strengthening of their AM partnership
 - ▶ BancoPosta Fondi SGR (“BPF”) **contributed to Anima** its delegated portfolio management activities related **to Poste Vita “Ramo I” business**
 - ▶ **15-year extension of strategic partnership between Anima and Poste** relating to sub-advisory services provided by Anima to retail mutual funds originated by BPF and assets underlying “Ramo III” of Poste Italiane

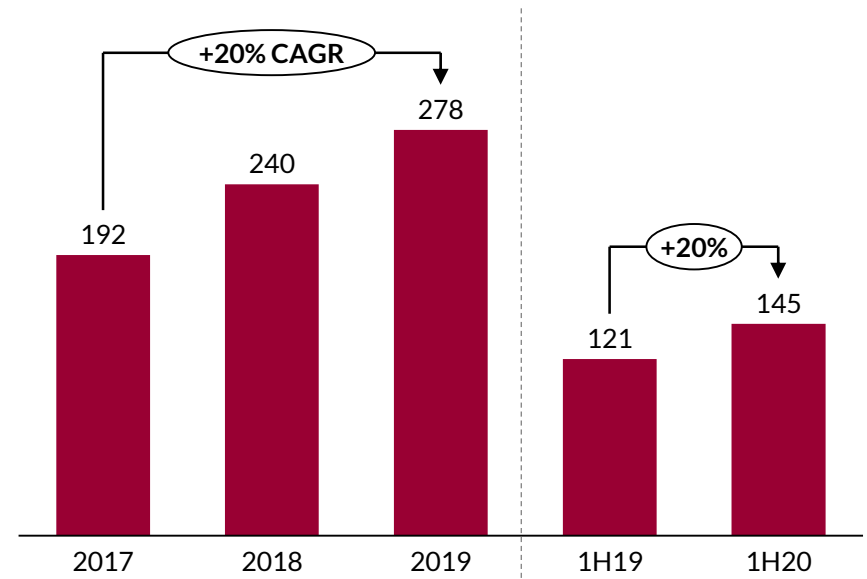
7 Resilient profitability and cash generation in all market conditions...

- ▶ In the last 3 years the company's consolidated EBITDA grew by +45%, driven by net fees and M&A activity
- ▶ Net income growth of +38% since 2017

Net Income Adj. evolution (€mln)



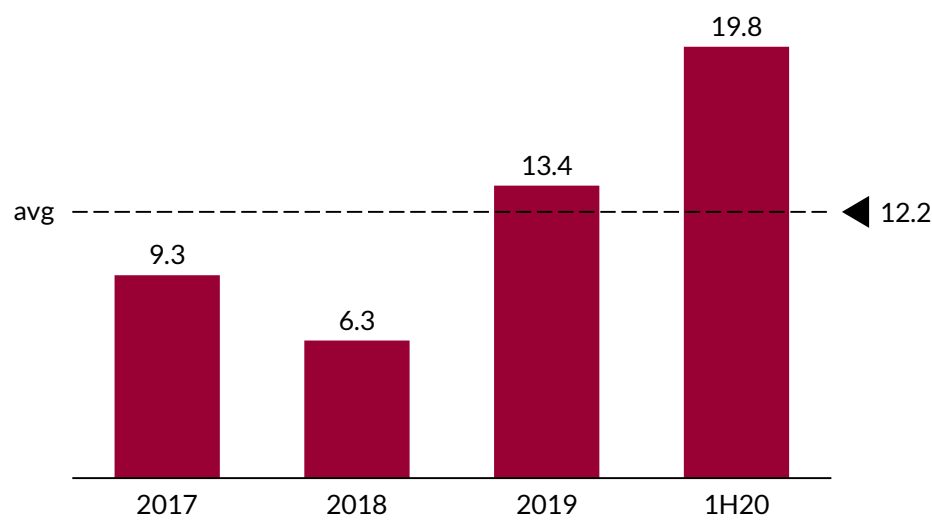
EBITDA evolution (€mln)



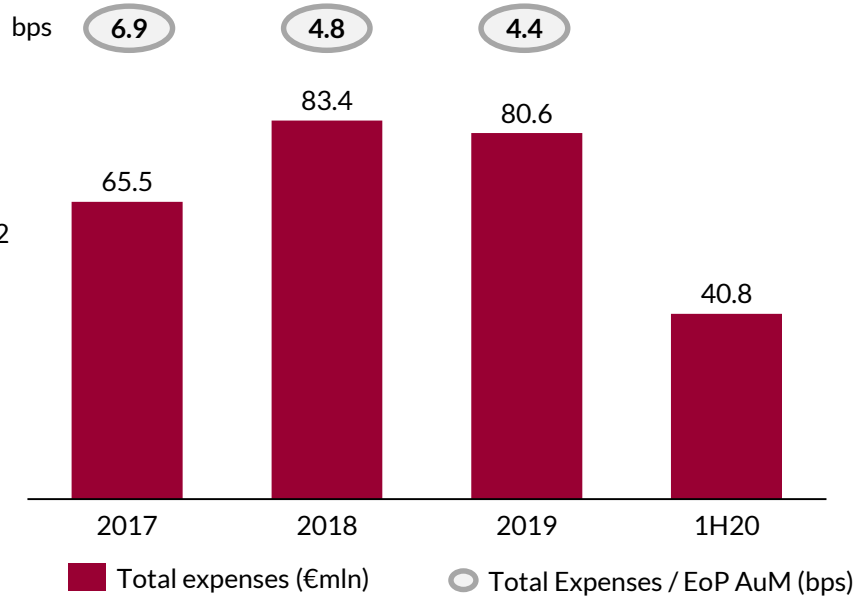
7 ... thanks to limited reliability on volatile performance fees and rigid cost control

- ▶ Revenues rely on stable management fees with moderate contribution of performance fees
- ▶ Rigid cost control approach, with fixed costs component broadly stable notwithstanding hirings for new initiatives (research team, alternatives, etc.)
- ▶ Drop in total expenses / AuM driven also by increasing overall volumes

Performance fees weight on total revenues evolution (%)



Total Expenses / EoP AuM evolution



03

Key financials

P&L overview – 1H20 update

€mln	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
- ▶ Cost income excluding performance fees remains stable thanks to flexibility in variable cost base, which declines in spite of hirings for new projects

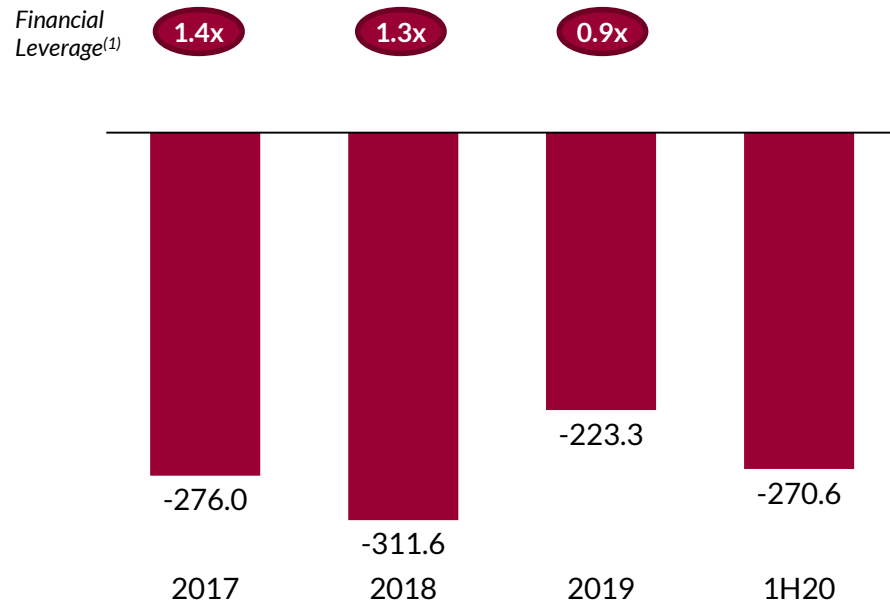
Historical P&L overview

€mln	2017	2018	2019	1H20
Net revenues	233.137	303.588	310.137	148.927
Performance fees	23.891	20.318	48.176	36.730
Total revenues	257.028	323.906	358.312	185.657
Personnel cost	(36.267)	(41.581)	(43.353)	(24.177)
<i>o/w fixed</i>	(26.173)	(33.504)	(32.825)	(16.717)
<i>o/w variable</i>	(10.095)	(8.076)	(10.528)	(7.460)
Other expenses	(29.185)	(41.829)	(37.286)	(16.604)
Total expenses	(65.452)	(83.410)	(80.639)	(40.781)
EBITDA	191.576	240.496	277.674	144.876
Non-recurring costs	(9.555)	(7.881)	(2.281)	(4.770)
LTIP expenses	(3.847)	(3.336)	(2.730)	(1.417)
Other income/(costs)	6.541	0.417	3.622	(2.344)
D&A	(17.983)	(47.465)	(53.939)	(26.422)
EBIT	166.728	182.231	222.345	114.611
Net financial charges	(6.839)	(8.644)	(17.448)	(5.236)
PBT	159.889	173.587	204.897	109.375
Income tax	(48.596)	(51.530)	(59.068)	(36.772)
Net income	111.293	122.057	145.829	72.603
Adjusted net income	133.780	163.232	185.097	94.065

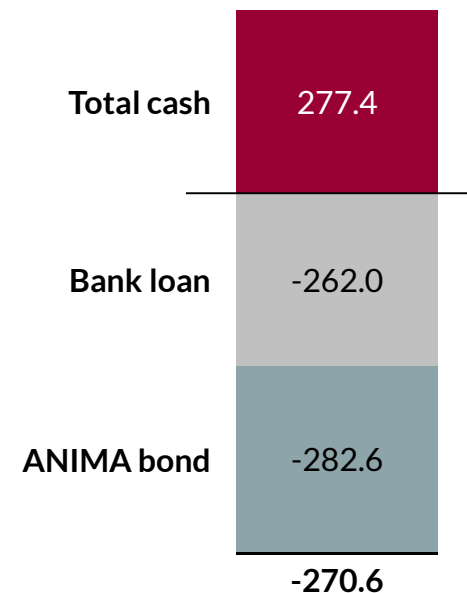
Solid balance sheet and limited leverage

- ▶ Solid balance sheet with Consolidated Net Financial Position (NFP) / EBITDA below 1.0x
- ▶ Gross debt entirely at Holding level, whereas cash is generated by subsidiaries and moved to the Holding Company through dividends
- ▶ €545m of gross debt, following €16m bond buyback and €35m bank loan reduction in 2020

Consolidated NFP evolution (€mIn)



Financing structure, 1H20 (€mIn)



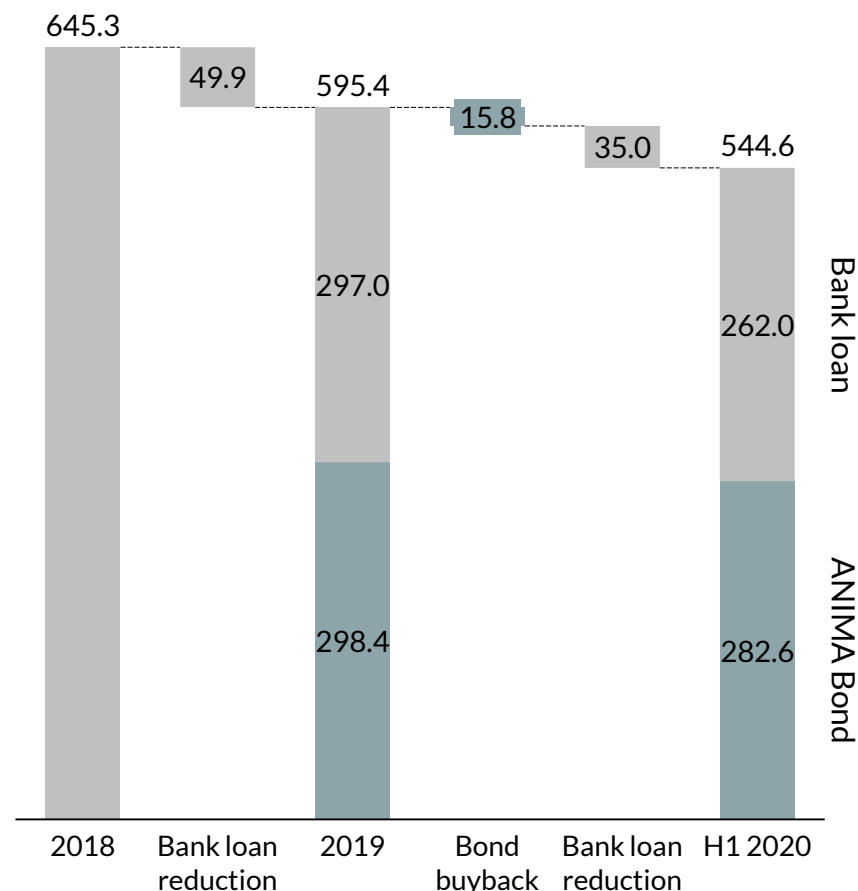
Note: 1. Consolidated NFP divided by EBITDA

Consolidated Net financial position (1/2)

€mln	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)
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	

- ▶ Debt reduction in Q2
 - ▶ €16m bond buyback and
 - ▶ €35m bank loan reduction
- ▶ €73m dividends paid in May
- ▶ €31m shares buyback in Q1
- ▶ €47m tax paid in June

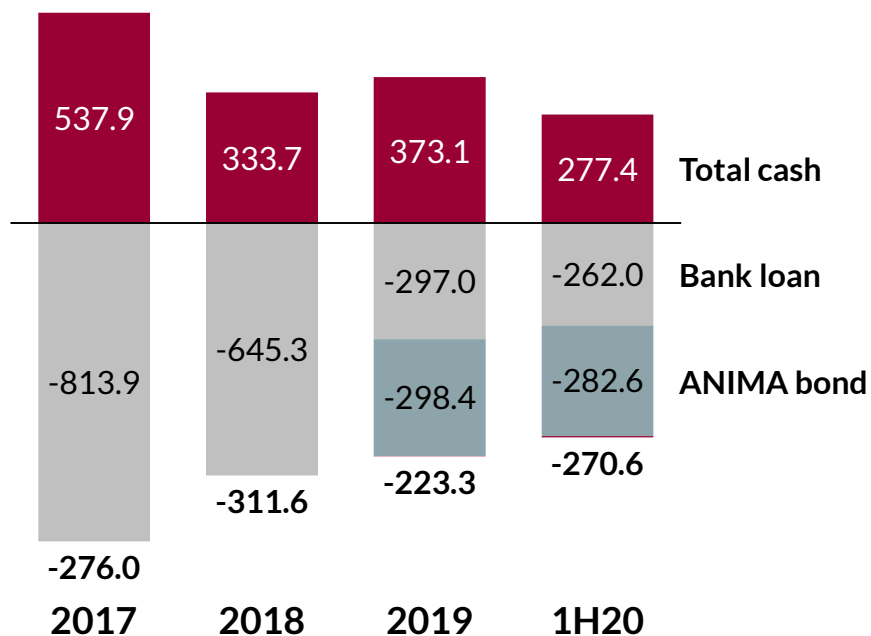
Gross debt evolution (€mln)



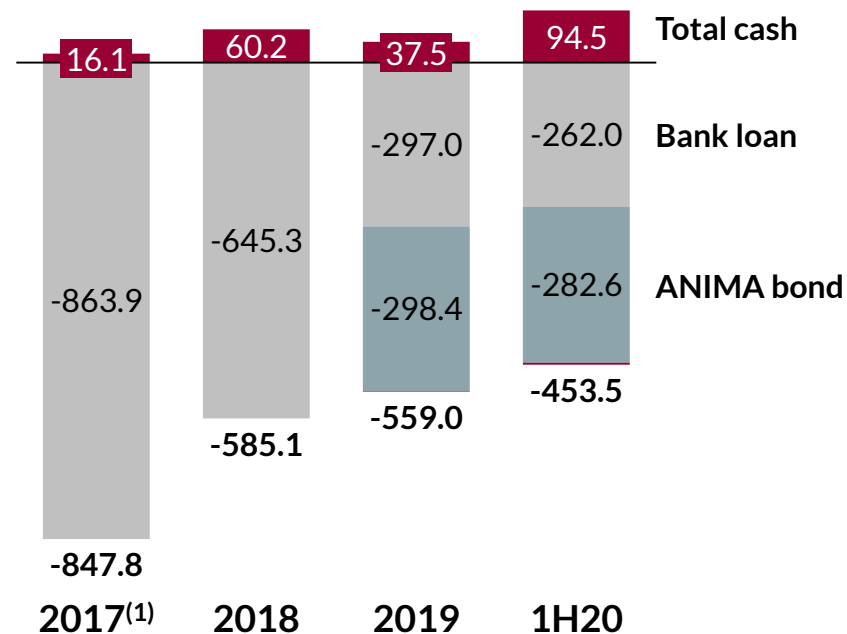
Consolidated Net financial position (2/2)

- Gross debt entirely at Holding level, whereas cash is generated by subsidiaries and moved to the Holdco through dividends

Consolidated NFP evolution



Holding level debt evolution

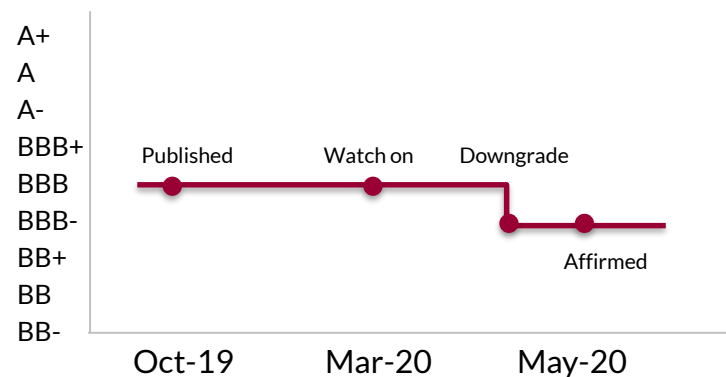


Note: 1. FY2017 includes €50m intragroup debt

Fitch's rating analysis key takeaways

- ▶ In May 2020, FitchRatings affirmed Anima Holding long term rating at corporate level and senior unsecured long term rating at BBB- (stable outlook)
- ▶ Anima Holding's credit rating is in line with Rep. of Italy's

Fitch rating evolution



Key Rating Drivers

- The increasingly challenging operating environment (Italy's GDP to contract by 9.5% in 2020, with the risks to this baseline forecast tilted to the downside)
- Higher leverage than those of other IMs rated by Fitch due to previous M&A activity
- Anima's sound franchise, particularly its more stable institutional mandates, will mitigate net retail outflows
- The lean cost base and adequate liquidity profile

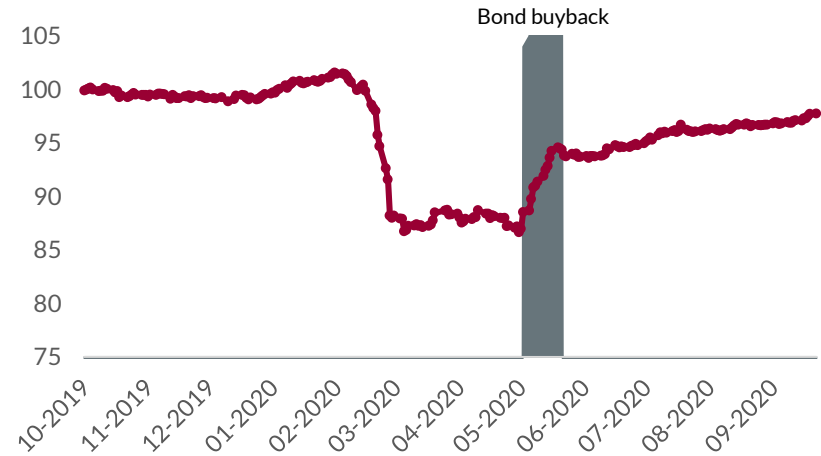
Rating sensitivities and triggers

- Rating upside is limited in the short-to-medium term due to Anima's sensitivity to Italy's operating environment, as reflected in the sovereign rating
- Material and sustained NNM outflows above current expectations for 2020 could lead to a downgrade. Conversely, sustained improvements in distribution network leading to NNM flows in retail segment could, in combination with sustained lower leverage, support positive rating action
- Gross debt/EBITDA above 3.5x and a constrained ability to deleverage to 3.0x in the near term would lead to a downgrade

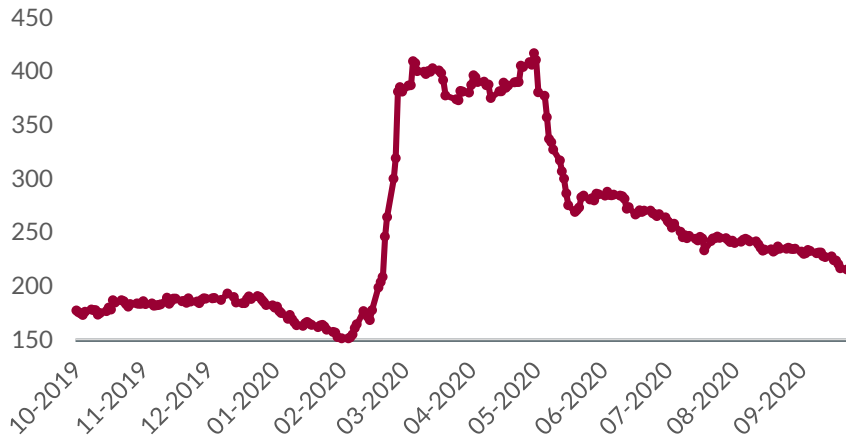
Anima bond trading evolution

- ▶ In March, Anima bond price dropped below 90 and then gradually rebounded to pre-lock down level
- ▶ In Q2, Anima completed a €16m bond buyback
- ▶ Anima bond yield currently at ca. 215bps⁽¹⁾ corresponding to ca. 288bps spread over the 10-years German Bund

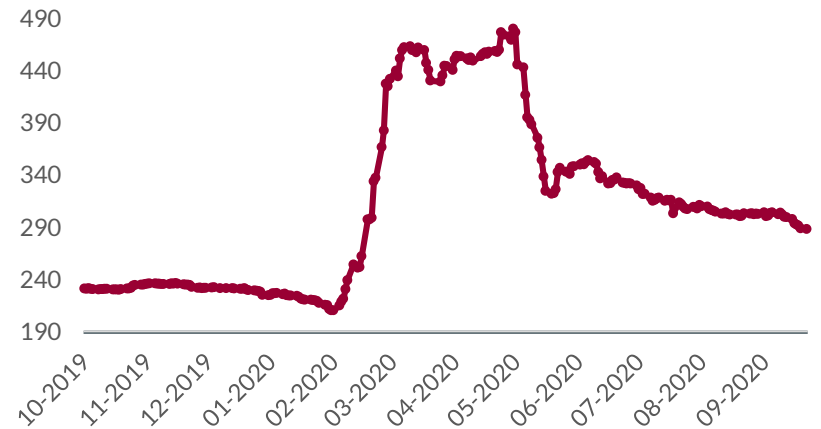
Bond price evolution



Bond yield evolution (bps)



Bond spread to government⁽²⁾ (bps)



Source: Bloomberg. Note: 1. Data as of 12-Oct-2020 2. Refers to the 10 years German Bund

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