9M19 Results

From now on…

ANIMA

Milan, 8 November 2019

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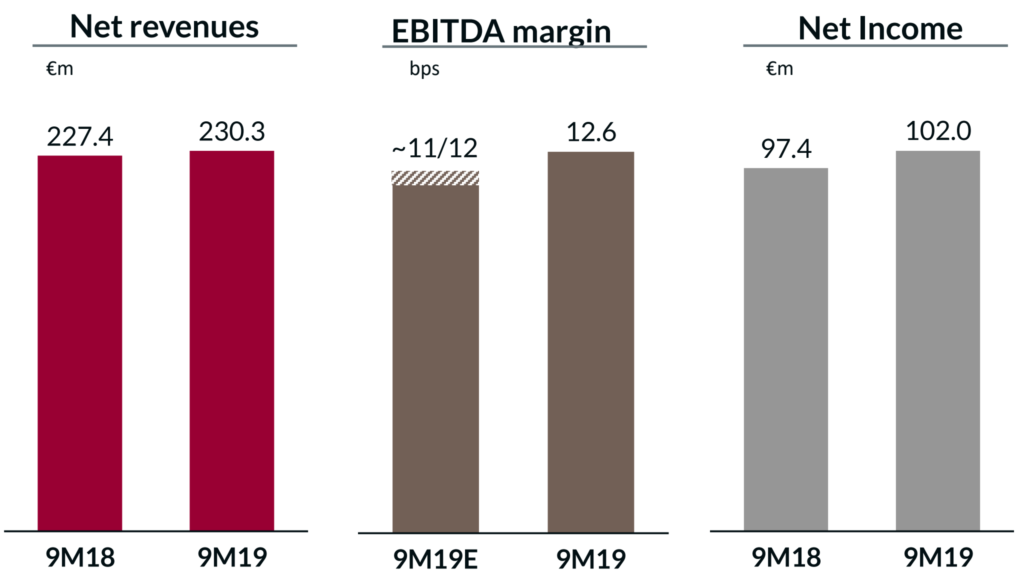
ANIMA… who

9M19 Highlights

- AuM 9% up year to date thanks to the strong performance of most asset classes, with funds' WAP at +6.7% in 9M19
- Net new money back to positive in Q3, mainly driven by the insurance component (Unit linked)
- "Recurrent" EBITDA margin (excluding performance fees) above guidance



189.5 AuM (€bn)
+9% vs. 2018FY

-0.1 Net New Money (€bn)
excluding Class I mandates

230.3 Net revenues (€m)
+1% vs. 9M18

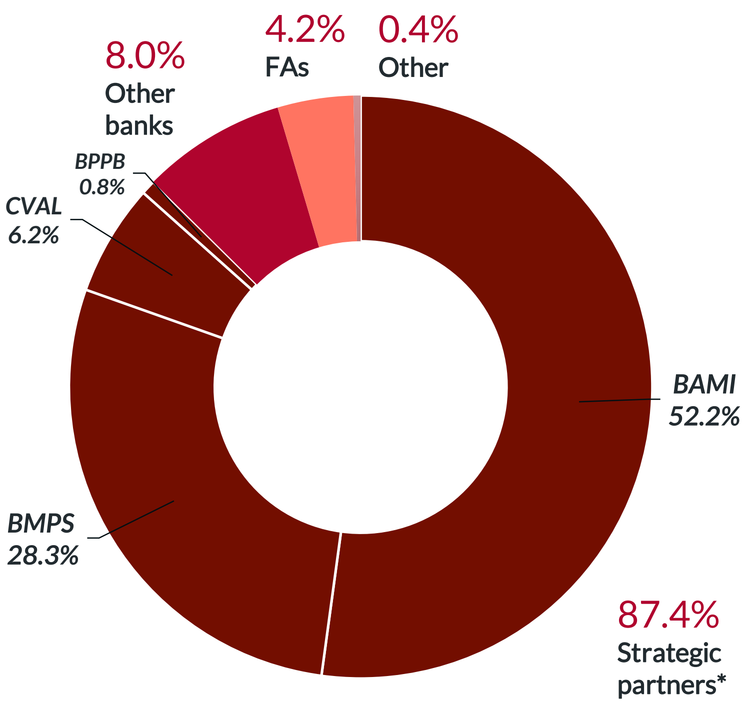
194.0 EBITDA (€m)
+7% vs. 9M18

102.0 Net Income (€m)
+5% vs. 9M18

Business by segment

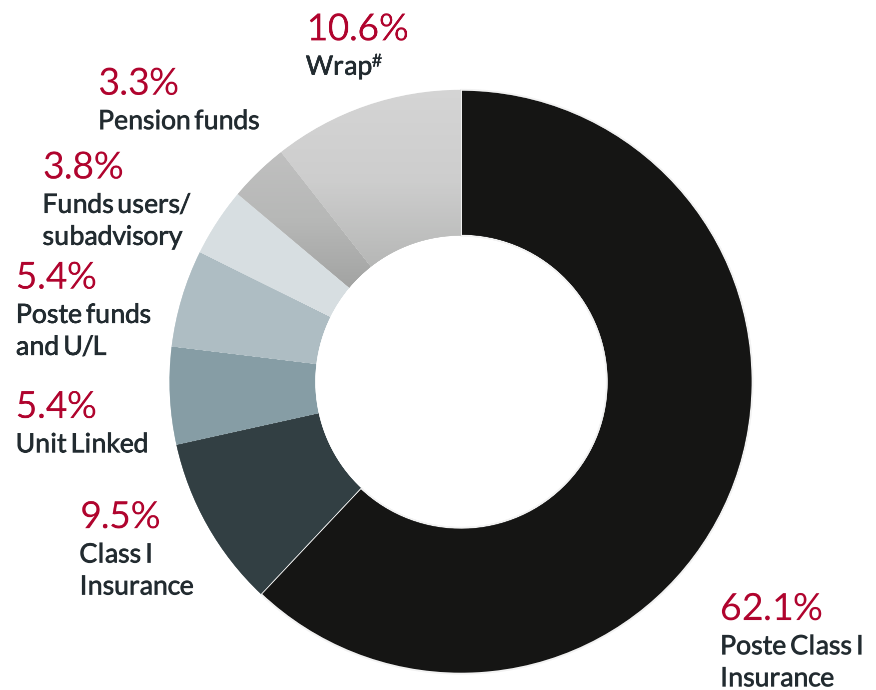
Retail

29% AuM = €54.8bn



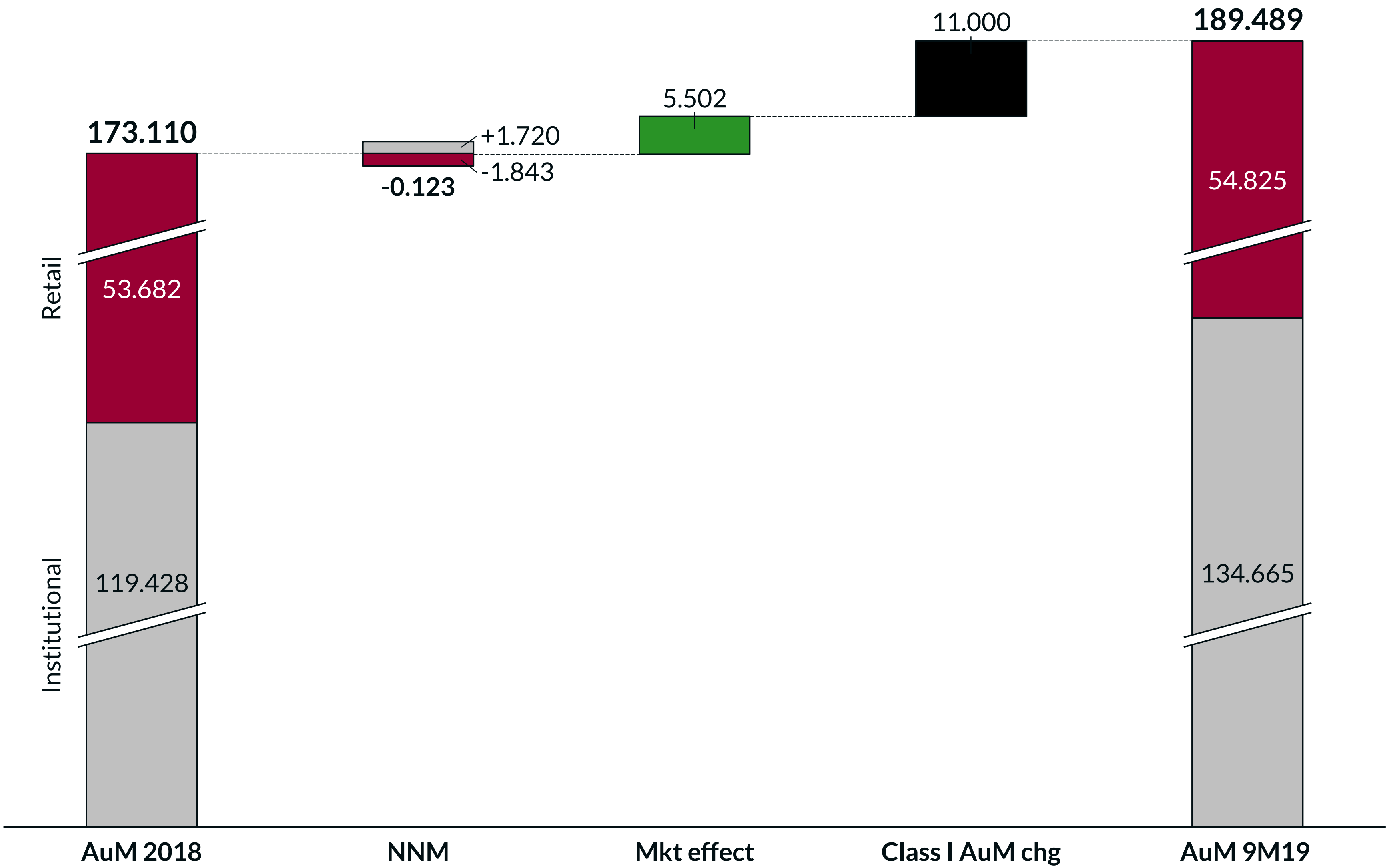
Institutional

71% AuM = €134.7bn



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

9M19 AuM evolution

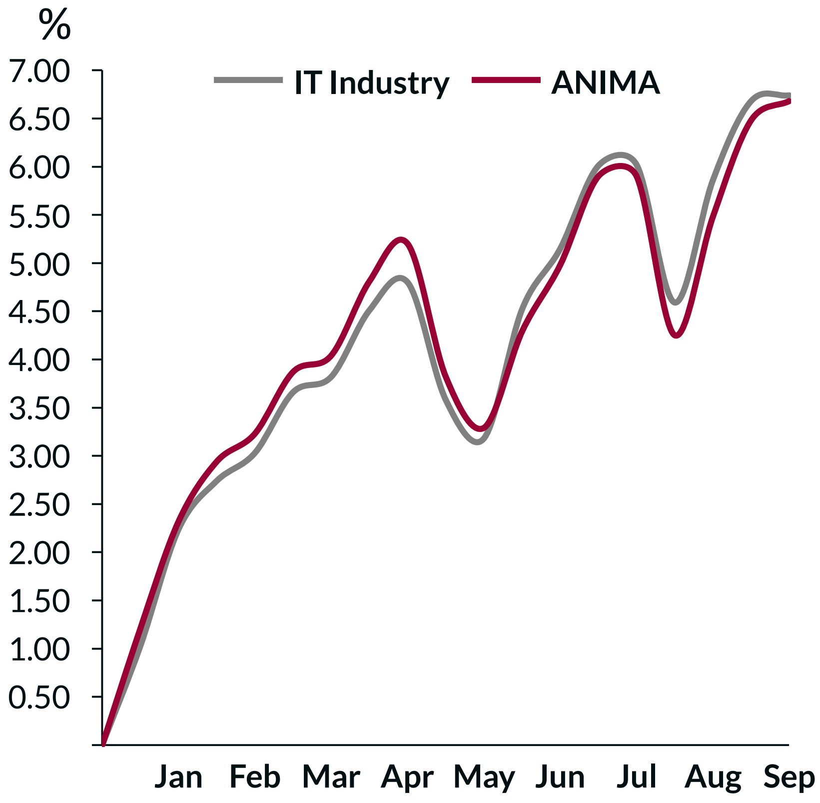


Source: ANIMA, data in € bn

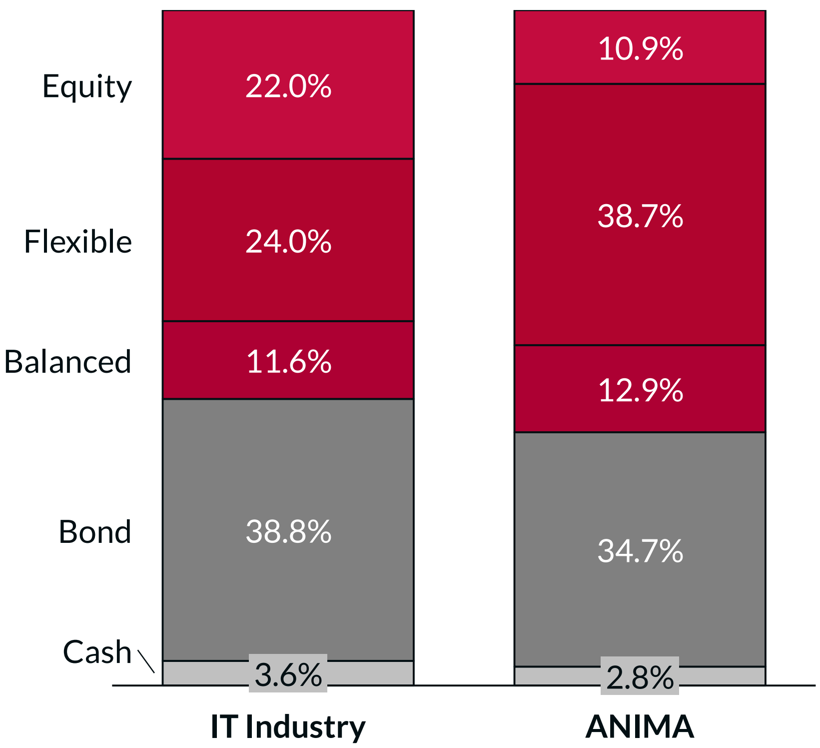
Net new money excluding Class I mandates

Mutual funds' investment performance

9M19 WAP



9M19 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

Consolidated P&L

€m	9M19	9M18		2018
Net revenues	230.331	227.356		303.588
Performance fees	24.886	18.446		20.318
Total revenues	**255.217**	**245.802**	*+4%*	**323.906**
Personnel cost	(33.819)	(32.025)		(41.581)
o/w fixed	*(24.314)*	*(25.001)*		*(33.504)*
o/w variable	*(9.505)*	*(7.024)*		*(8.076)*
Other expense	(27.441)	(31.658)		(41.829)
Total expense	**(61.260)**	**(63.683)**		**(83.410)**
EBITDA	**193.957**	**182.119**	*+7%*	**240.496**
Non recurring costs	(796)	(5.103)		(7.881)
LTIP expense	(6.329)	(1.482)		(3.336)
Other income/(cost)	3.278	1.312		0.417
D&A	(40.263)	(34.367)		(47.465)
EBIT	**149.847**	**142.479**	*+5%*	**182.231**
Net financial charges	(8.438)	(6.064)		(8.644)
PBT	**141.409**	**136.415**	*+4%*	**173.587**
Income tax	(39.373)	(39.036)		(51.530)
Net income	**102.036**	**97.379**	*+5%*	**122.057**
Adjusted net income	**128.679**	**124.113**	*+4%*	**163.232**

bps/avg AuM	9M19	9M18	2018
Retail	28.3	30.7	30.5
Institutional	10.2	25.9	18.7
Average	**15.7**	**28.7**	**24.4**
AuM EoP (€bn)	*189.5*	*103.4*	*173.1*

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

Cost/income	9M19	9M18	2018
on total revenues	24.0%	25.9%	25.8%
ex performance fees	26.6%	28.0%	27.5%

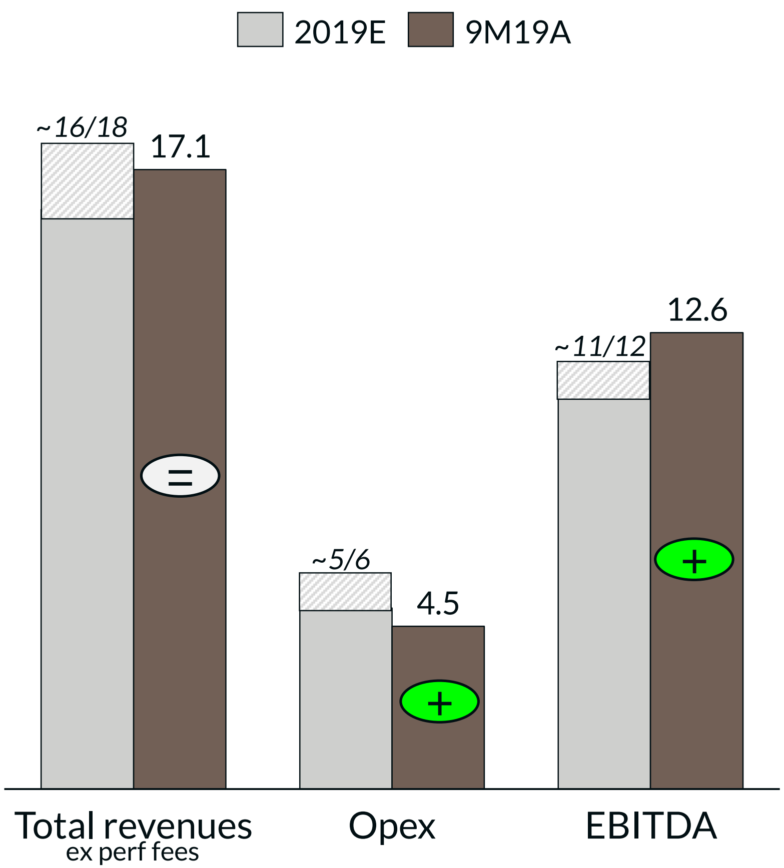
- Strong commitment and consistency in keeping a low cost/income
- Tax rate increase (mainly due to concentration of investment management activities in Italy and elimination starting from 2019FY of previous tax deductions) fully offset by one-off tax relief on goodwill
- Increase in D&A due to acquisition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

P&L ratios' analysis

9M actual results confirm improvement vs. guidance provided in 1Q18

- Revenue margin is in line with the upper part of the expected range even if in 9M19 we had:
  - €5.3m lower contribution of placement fees (reducing retail revenues and margin) due to lower gross inflows
  - strong market effect in the institutional segment with lower margins "optically" diluting the top line (AuM of Class I mandates is higher by €11.0bn ytd)
- Better than expected results 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 margin 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)

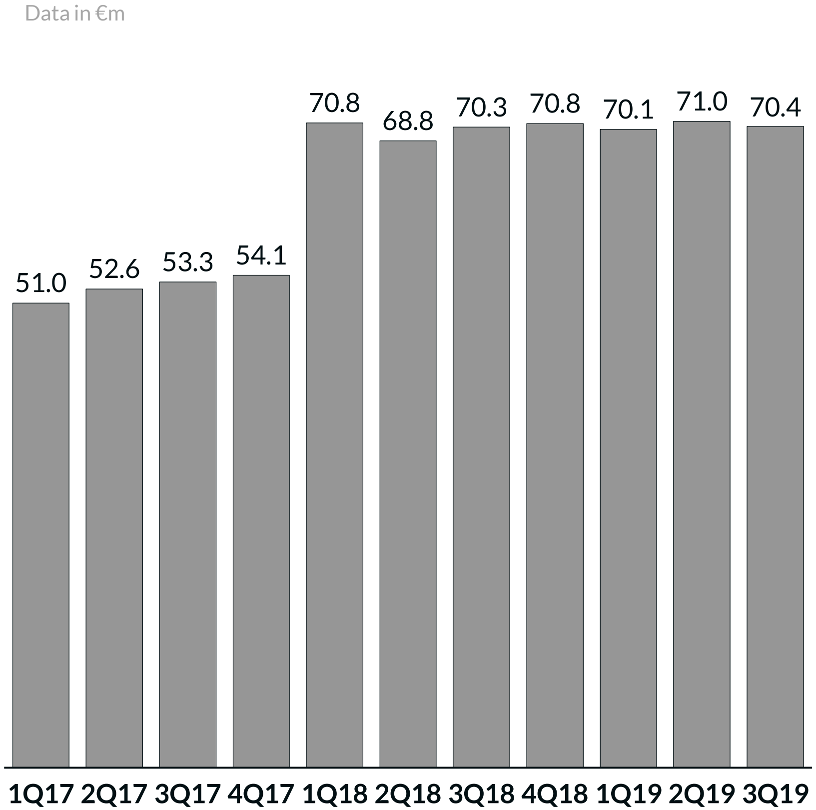


Net fees and personnel cost

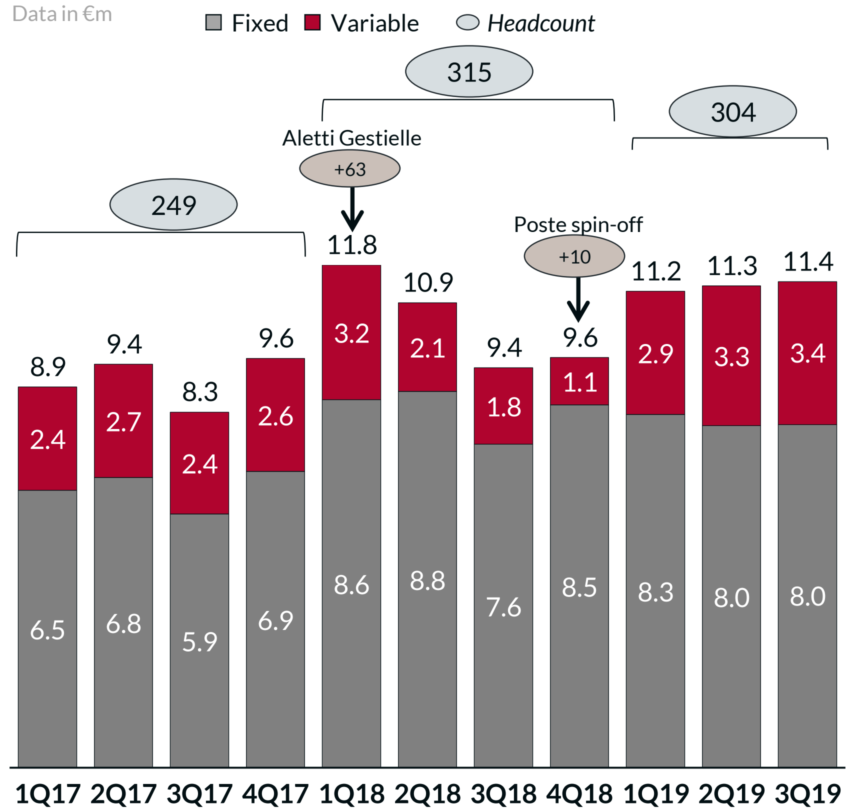
- Changes in the perimeter offsetting the lower yoy placement fees and the contribution to revenues of a large institutional mandate expired during 2Q18

- Fixed component declining due to lower headcount related to synergies on acquisitions
- Accrued variable compensation increases yoy due to higher performance fee generation and overall financial performance

NET FEES (ex other income)

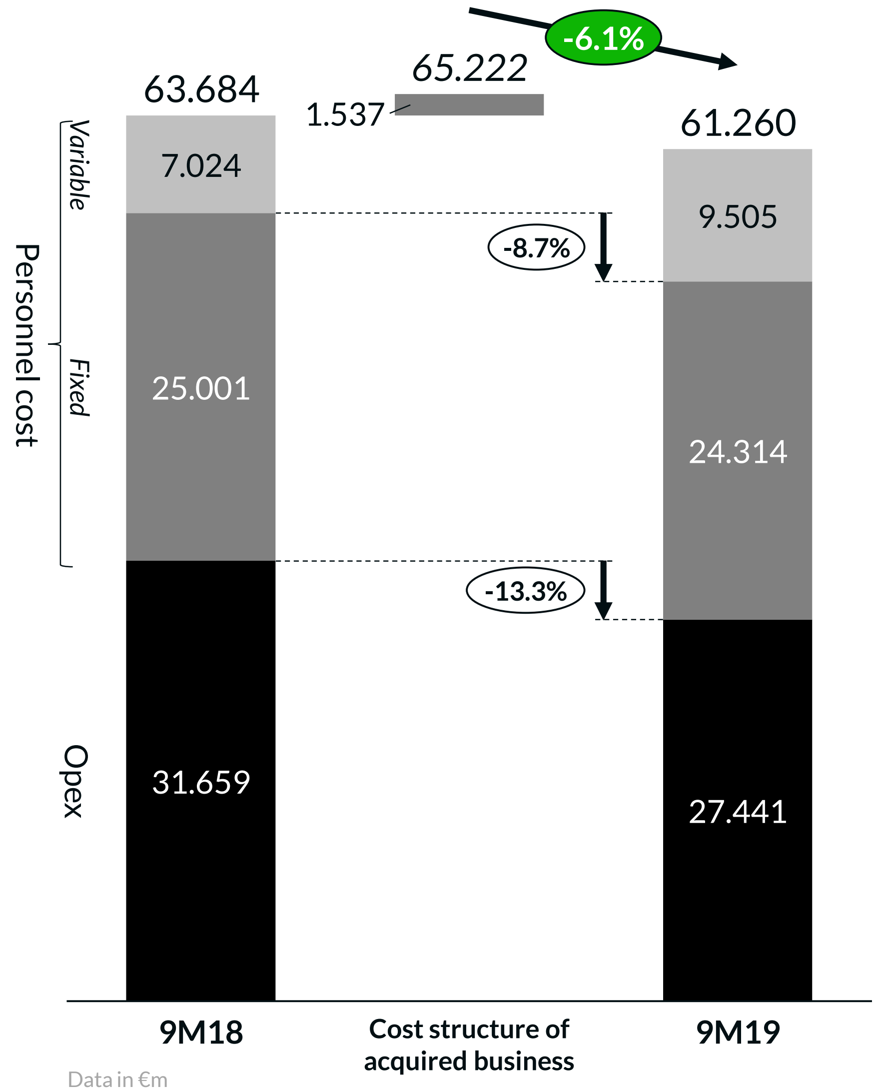


PERSONNEL EXPENSE



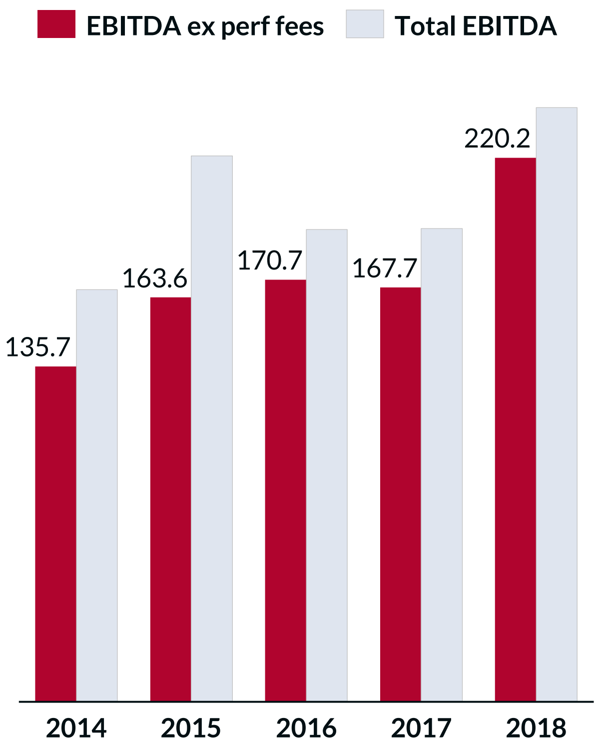
Focus on cost efficiency

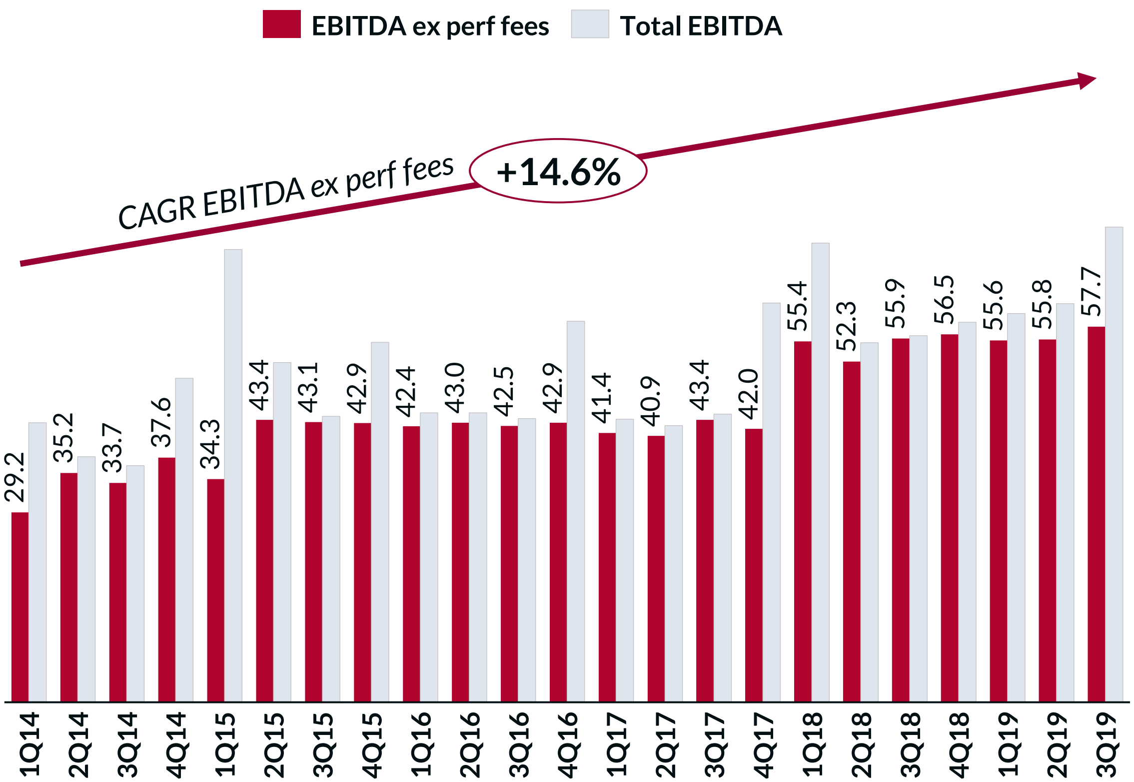
- The decrease of total expense is 6% on a like for like basis, i.e. with the impact of the acquisitions carried out in the second half of 2018:
  - the opex in connection with the BAMI insurance mandates (~4/500K€ on a yearly basis in the accounts as of 3Q18) and
  - the costs on a yearly basis linked 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…)
- Accrued variable compensation increased (+€2.5m) mainly due to higher yoy performance fee cashed (+€6.4m) and better overall financial performance



Predictable and growing cash generation

- Thanks to operating leverage, margin pressure was offset by growth in volumes (also through M&A)
- As a result, "recurring" EBITDA – i.e. net of performance fees contribution - shows a clear and solid growth path, only partially influenced by quarters' volatility

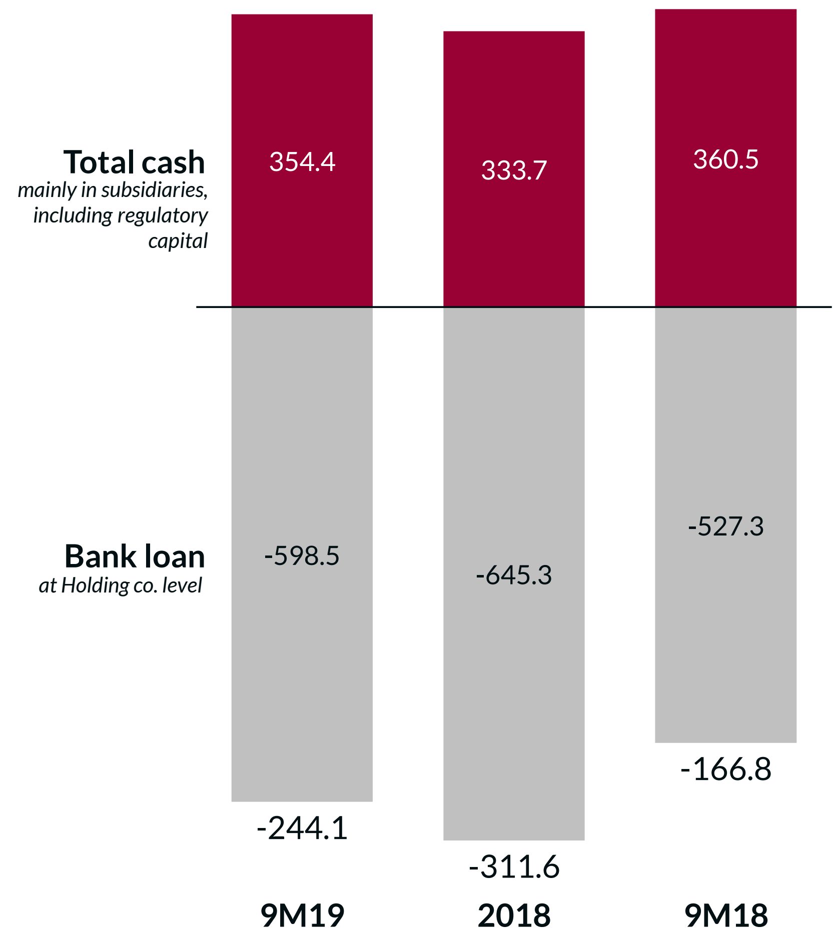




Data in €m

Consolidated Net Financial Position

€m	9M19	2018	9M18
Bank loan	(598.5)	(645.3)	(527.3)
TOTAL DEBT	**(598.5)**	**(645.3)**	**(527.3)**
Cash	260.7	243.4	258.6
Securities	88.8	88.6	101.8
Perf. fee receivable	4.9	1.6	0.1
TOTAL CASH & EQUIVALENT	**354.4**	**333.7**	**360.5**
CONSOLIDATED NFP	**(244.1)**	**(311.6)**	**(166.8)**
*NFP / EBITDA**	*0.9x*	*1.3x*	*0.7x*



- Gross debt entirely at Holding level, whereas cash is generated by subsidiaries and moved to the Holdco through dividends
- 9M19 NFP reflects:
  - €41m spent for a 3% shares buyback completed in April
  - €61m dividends paid in May
  - €50m capital repayment of the bank loan in June
  - €7m payment for the tax relief on goodwill also in June

**quarterly leverage ratios calculated annualising EBITDA*

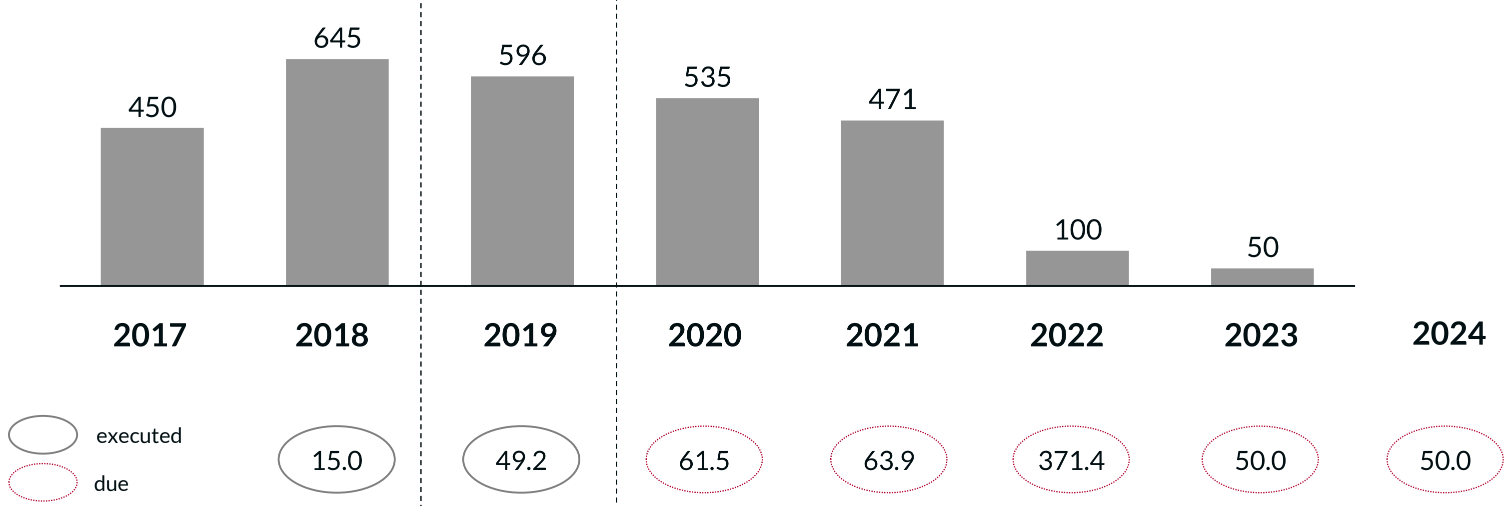
Optimising the debt structure (1/2)

- ANIMA Holding raised new debt in 2017 and 2018 to finance M&A activities

	Initial amt. in €m	M&A deal financed	Outstanding as of 9M19	Interest Rate (floor zero)	Amount hedged
Term loan - Line A	450	Aletti	401	EUR06M + 125bps	50%
Term loan - Line B	90	BAMINS	80	EUR06M + 125bps	50%
Additional Term Loan	120	Poste	115	EUR06M + 140bps	_
Total debt	**660**		**596**		

Gross debt at year end in €m

Capital repayments



Optimising the debt structure (2/2)

- Anima Holding has optimised during October 2019 its financing structure through the issue of a 7y bond and a new bank loan, doubling the duration and benefitting from favorable rates environment

Debt Structure

As is at 30.09.2019

€596m
bank loan
2.9Y residual duration

New structure

€300m
bond
7Y duration

€297m
new bank loan
5Y duration

Key terms

- Non-convertible senior unsecured bond
- 1.75% fixed coupon, payable annually
- Issued at 99.459%, for an annual yield of approx. 1.83%
- Rated BBB (Fitch)

- Bullet with a "cash sweep" mechanism from 2021
- Paying EUR06M (no floor) + 150bps
- Covenants: NFP / EBITDA max 2.5x, 50% hedged

03

ANIMA… why

Closing remarks (1/2)

- Recent ECB "dovish" decisions create a **favourable momentum** for asset managers distributing through banks, having again fee generation as a priority
- Domestic situation appears to be on the way of **normalisation** as testified by the narrowing spread, and the institutional capital market is clearly open for borrowers
- New challenge for Italian banks is to allocate elsewhere the **huge liquidity pool** sitting on current accounts (approx. 1/3 of households' financial wealth) instead of borrowing money on retail
- Asset managers have a great **opportunity** to take a large portion of this pool looking forward
- **Education** on both distributor and final customers will be a key a success factor: client must be on the way of accepting (little) more risk and a longer time horizon for their investments
- Concerning in broader terms equity exposure, **DCA methodology** (better if embedded in a mutual fund solution) remains the most interesting approach for conservative customers to smooth markets' volatility and their anxiety
- Insurance solutions (especially U/L) thanks also to the additional features besides the financial investment represent an attractive value proposition
- …and if only PIR could be back on the horizon in 2020…

Closing remarks (2/2)

- 2019 demonstrates again how our business model, maybe "old-fashioned", can be extremely **resilient** across different market cycles and very well diversified in terms of source of revenues
- The Group is very well addressed to **support banks** in generating commissions through a wide offer of AM products (including insurance solutions), enhanced by dedicated training and effective time to market for the origination and launch of new investment ideas
- Strong operating leverage, solid and highly visible **cash generation** (>90% of the top line coming from fixed fees) remain key topics
- **Refinancing** was quickly executed to take advantage of favourable conditions in the corporate bonds' market as well as to benefit of the current rates environment; leaving the gross debt unchanged but doubling the duration to 6 years increases flexibility in the balance sheet
- As a consequence, active capital allocation can be back on the agenda: an additional **3% buyback** shall start in the coming days
- Consistently with our policy in terms of returning cash to shareholders (with an unchanged guidance for ordinary dividends) a **2-3% treasury shares' cancellation** shall be proposed to the AGM in 2020 in case no M&A is in sight

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