

# Azimut Holding S.p.A.

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## FY 2017 Results

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# FY 2017 Highlights

**Business model is delivering; strong flows and improving margins leading to the 2<sup>nd</sup> best FY Net Profit**

## Financial Results

- 🏆 **Normalized FY 2017 Net Profit: €220.1m (up 27% vs. €172.7m in FY 2016)** 🏆
  - 🏆 €214.8m including the one-off Convertible Bond charge
- 🏆 **FY 2017 EBIT: €278.1m (up 35% vs. €205.3m in FY 2016)** 🏆
  - 🏆 **EBIT Margin at 34%** vs. 29% in FY 2016
- 🏆 **FY 2017 Revenues: €810.5m (up 15% vs. €705.6m in FY 2016)** 🏆
  - 🏆 Recurring fees at **€606.9m (up 17% vs. €518.9m in FY 2016)**
  - 🏆 Variable fees at **€136.4m (up 4% vs. €130.8m in FY 2016)**

## Net Inflows, AUM & Performance

- 🏆 Total Assets at 31/12/2017: **€50.4bn, up 16%** vs. end-2016
  - 🏆 €51.3bn at February 2018
- 🏆 Net Inflows in 2017: **€6.8bn** 🏆
  - 🏆 **€20bn Net New Money raised in 3 years (2015-2016-2017): highest among listed peers**
- 🏆 **Net Performance to clients in 2017 at +2.2%**

## Capital Management

- 🏆 **Proposed DPS of €2p.s.<sup>(1)</sup>** (of which €1 paid in cash and €1 paid through existing treasury shares)
  - 🏆 Doubled the amount paid in 2017
- 🏆 **Completed share buybacks for a total of €100m in 2017<sup>(2)</sup>**, more room going forward subject to AGM approval

\*

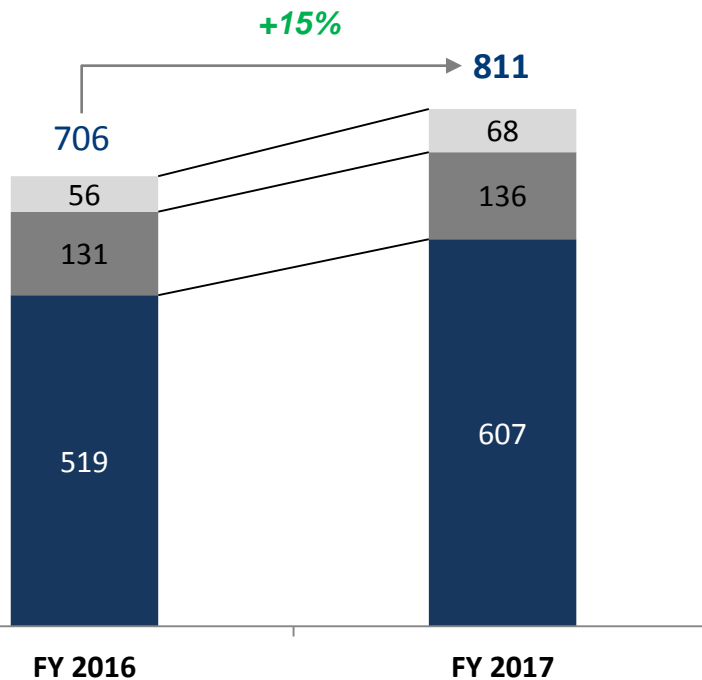


# FY 2017 Highlights

## Revenues growing more than 2x Costs, even excluding Variable Fees

### Revenues (€mln)

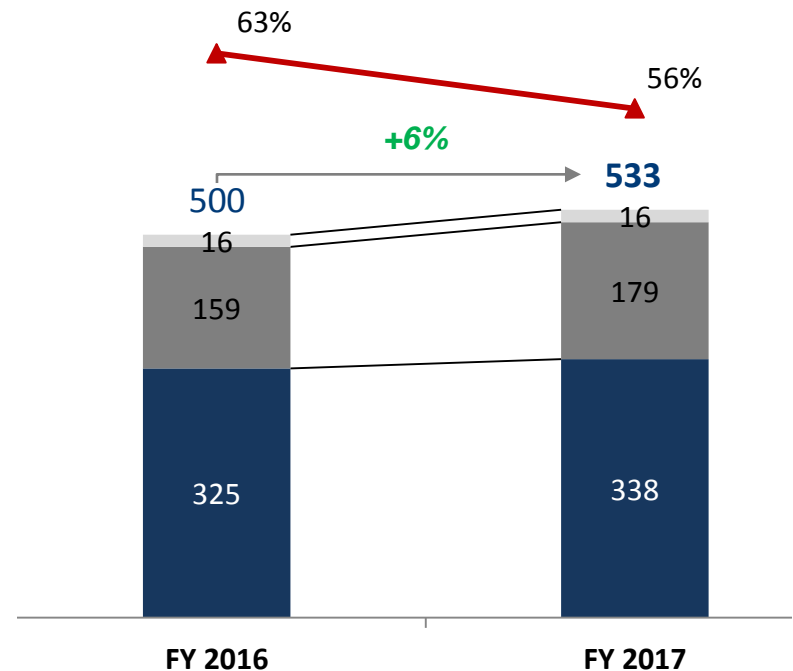
■ Recurring Fees ■ Variable Fees ■ Other



- Strong increase in Recurring fees thanks to stable margins and a diversified AUM mix
- Variable fees in line with previous years

### Operating Costs (€mln)

■ Dist. Costs ■ Pers. and SG&A ■ Other ➤ Dist. Costs / Rec. Fees



- Quality vs. Quantity: strong improvements in distribution costs
- Limited increase in Pers. / SG&A: functional to a growing business
  - **Significant slowdown in Pers. and SG&A costs increase (+12% vs. +26% in 2016/2015)**

Source: Company data



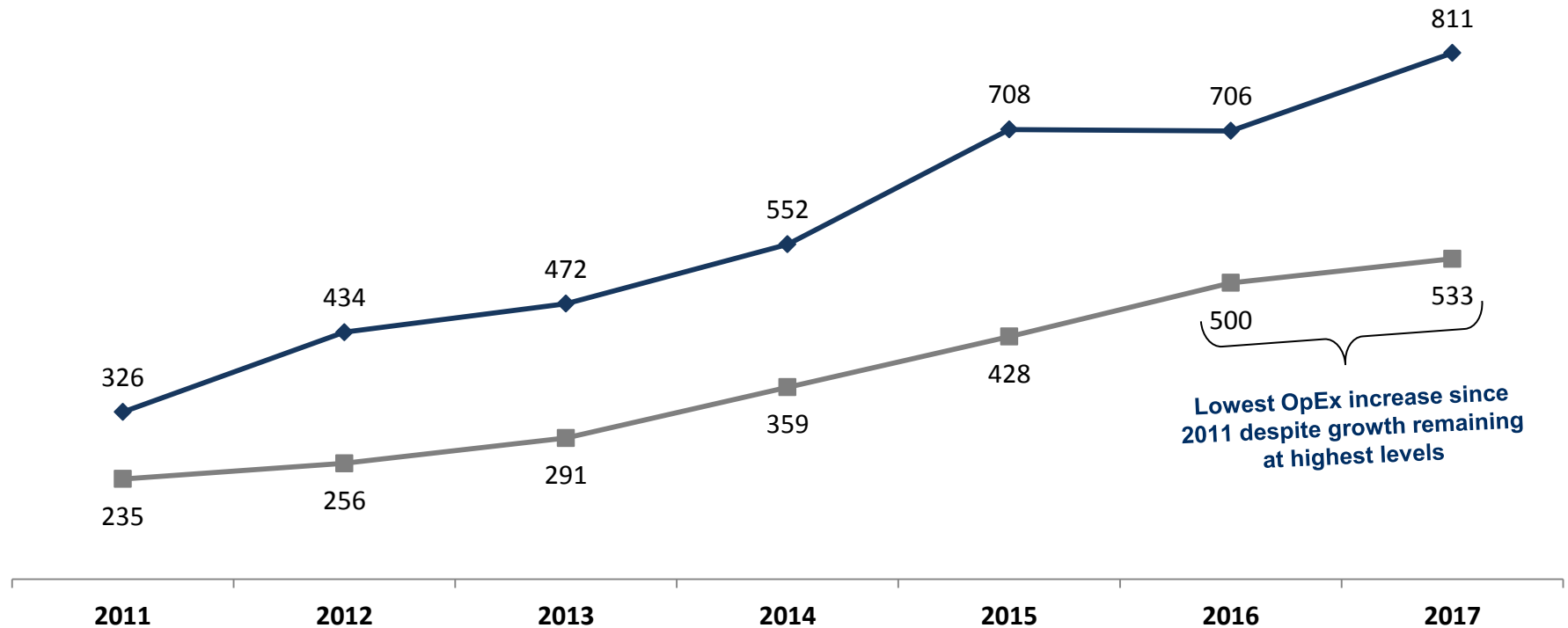
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# FY 2017 Highlights

Effectively reversed the (only) “negative jaws” effect seen in 2016

Total Revenues & Operating Costs evolution (€mln)

◆ Total Revenues ■ Operating Costs



Lowest OpEx increase since 2011 despite growth remaining at highest levels

\*

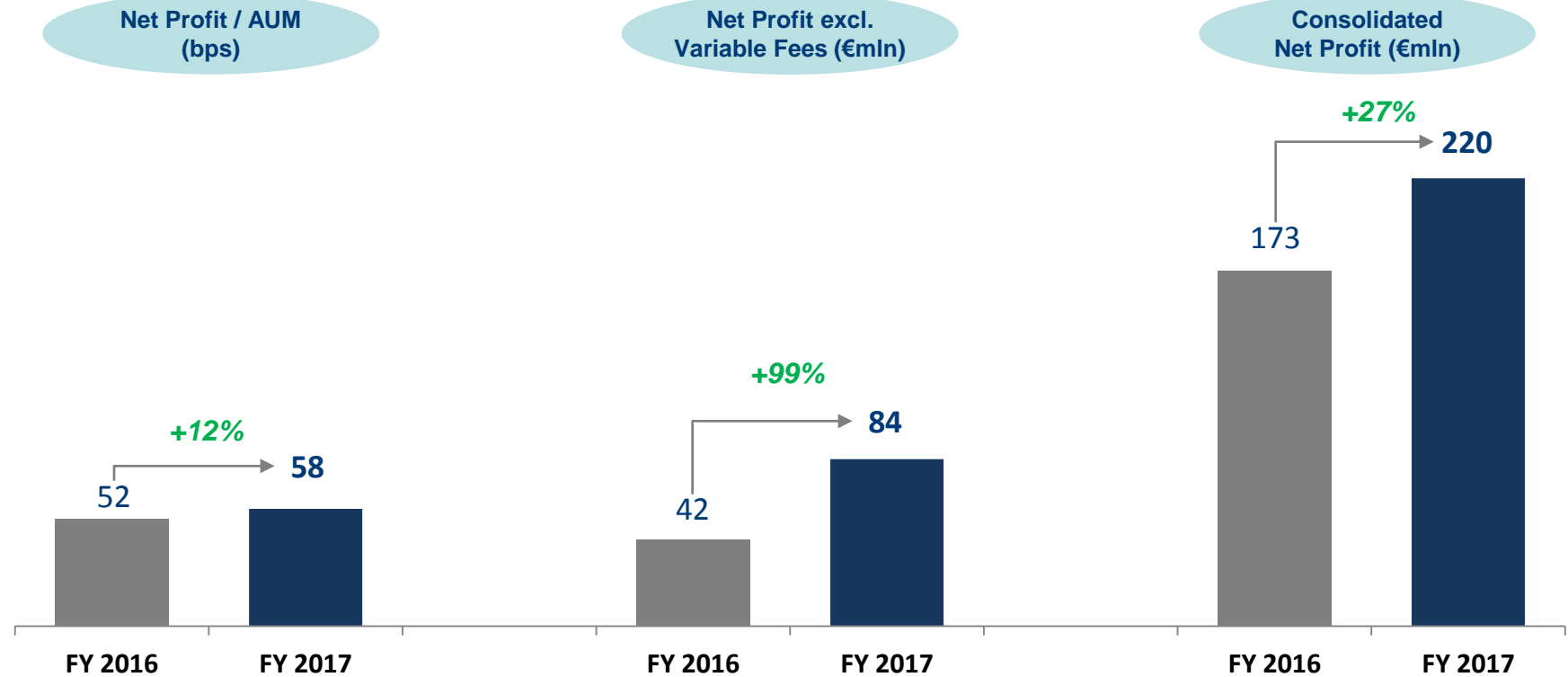


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# FY 2017 Highlights

Focus on bottom line: solid increase across the board

## Net Profit\* Growth



➤ Solid bottom line improvement in absolute terms, in bps over average AuM and even excluding Variable Fees

➤ On the right path to reach the € 300mln Net Profit target in 2019

Source: Company data

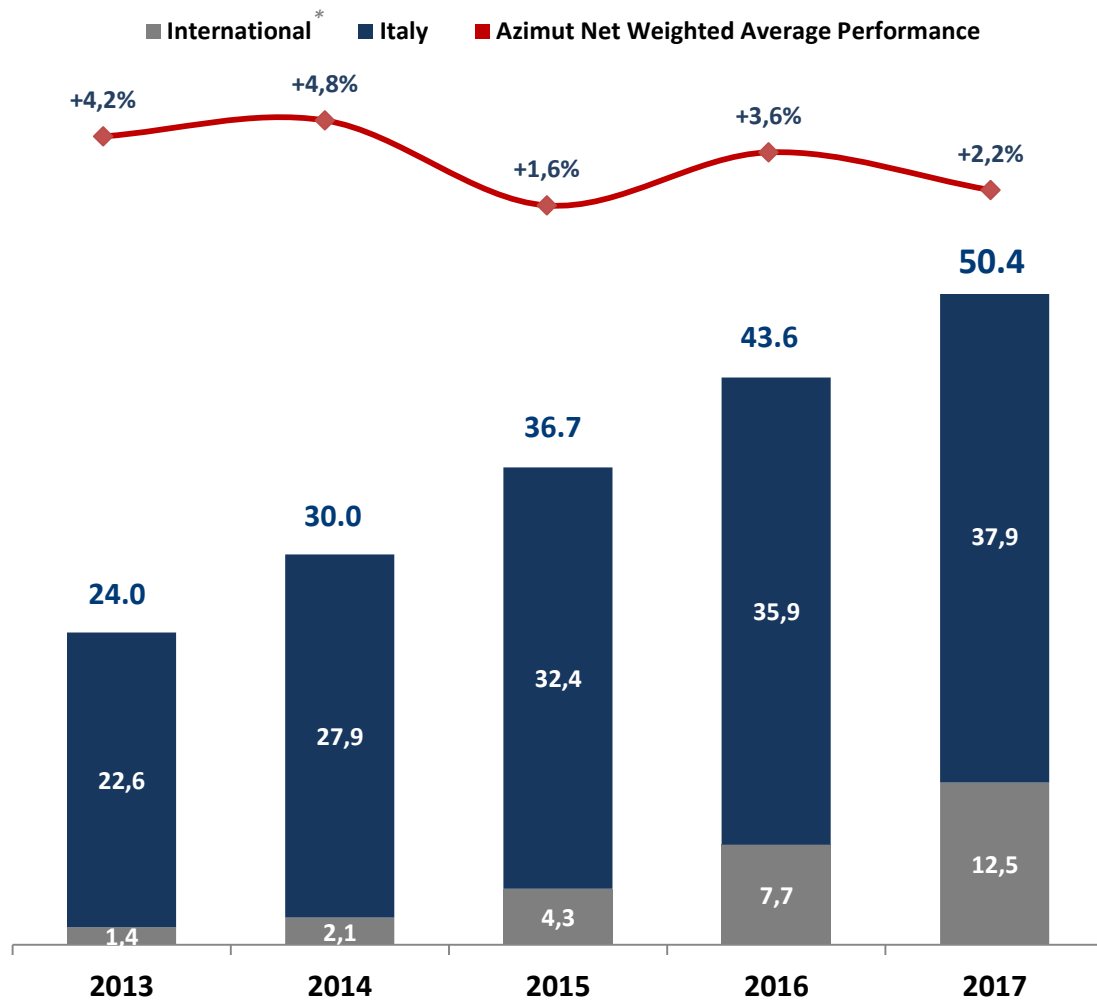
Note\*: FY 2017 Net Profit excludes €5.3mln one-off due to the convertible bond buyback.  
Net Profit / AUM is calculated as Adj. Net Profit divided by average Managed AUM in the FY



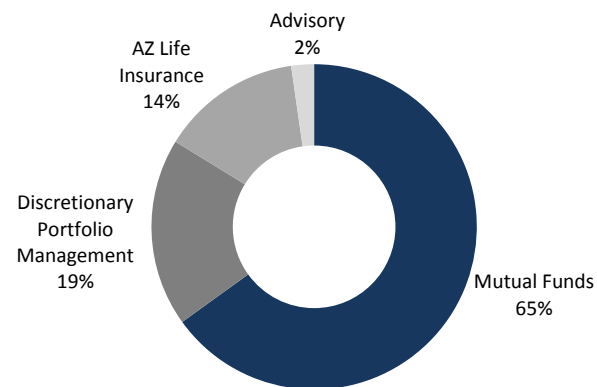
# Evolution of Assets under Management

**Exceeded our €50bn target set for 2019; international operations materially above Business Plan targets**

Total Assets breakdown (€bn)



- 🏆 Total Assets exceeded our business plan target of €50bn by 2019
- 🏆 Net Inflows in 2017 beat the excellent 2016 and 2015
- 🏆 Consistent and sustainable flows thanks to our geographic diversification and **organic contribution of the overseas business**
- 🏆 International operations now at **25% of Total Assets**
- 🏆 Solid performance in 2017: +2.2% (net of fees)
- 🏆 Assets Under Management by portfolio:



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# Azimut Net Weighted Average Performance

Net performance in 2017 at +2.2%. Solid beat vs. industry in the longer term (5-Y)



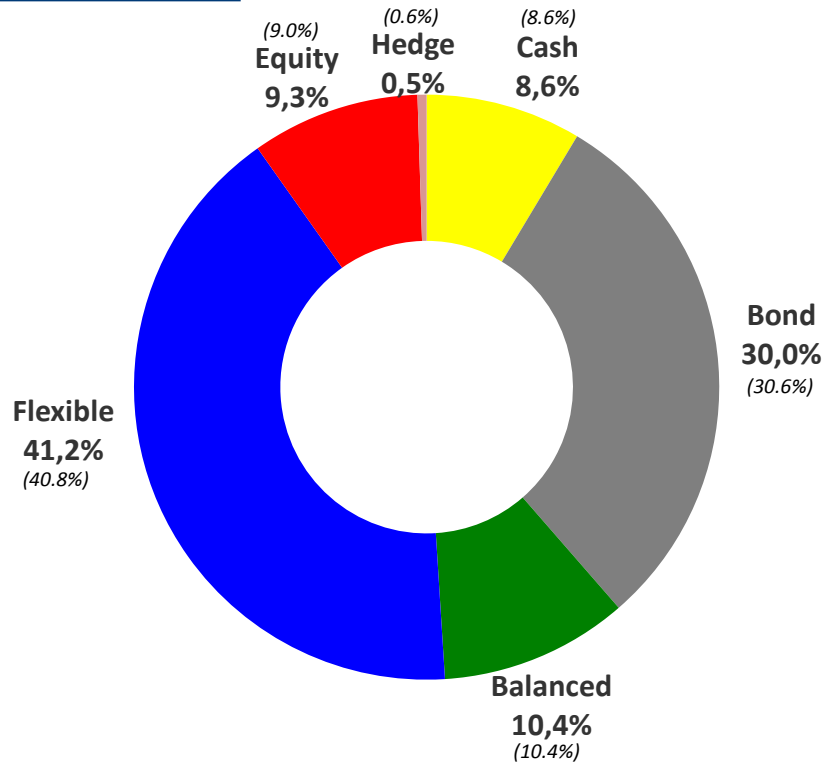
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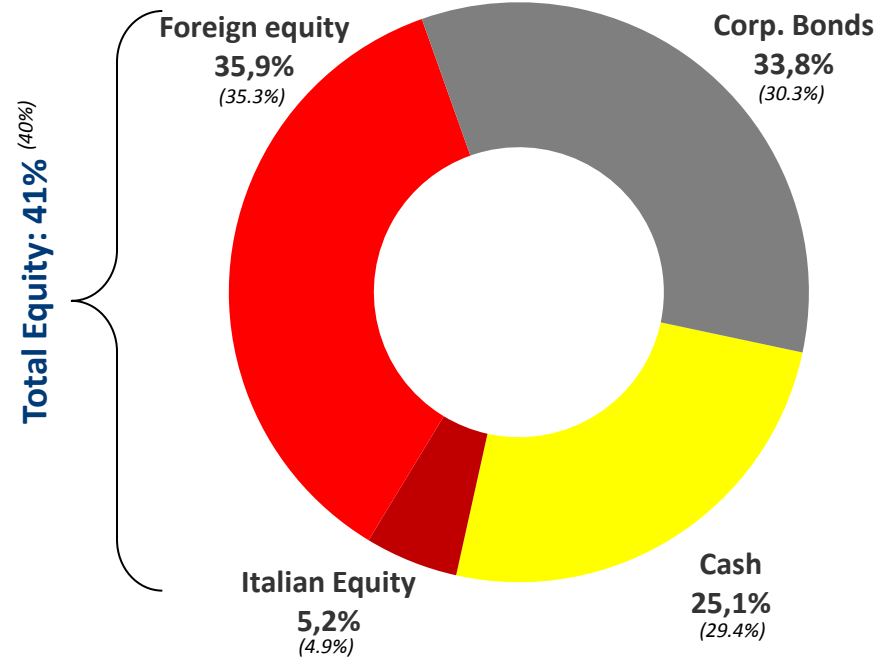
# Azimut funds breakdown (1/2)

Despite improvements, Equity exposure still looking to be increased

AuM by Category



AuM by Underlying Asset



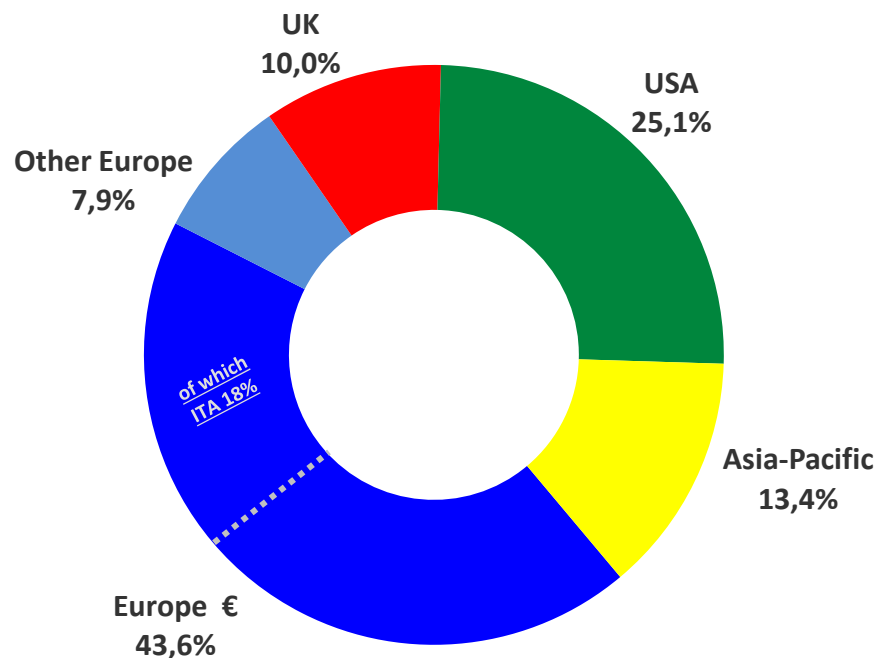
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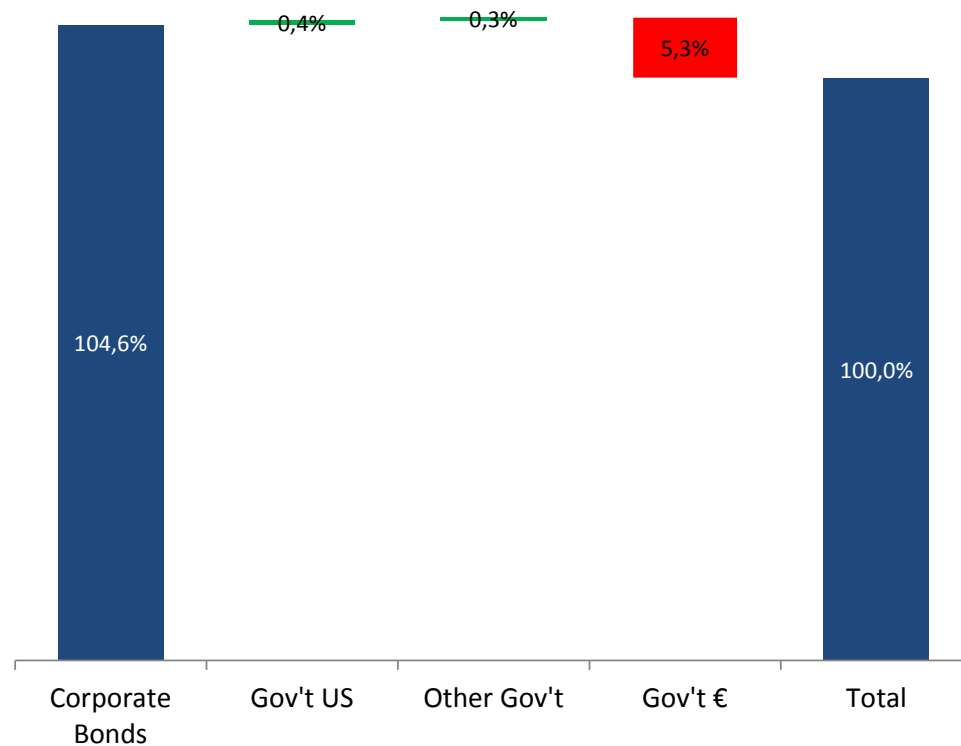
# Azimut funds breakdown (2/2)

## Good geographical diversification across asset classes

### Equities



### Fixed Income



\*



Source: Company data at 31/12/2017

# Global Asset Management Team

## Leveraging on our international footprint and expertise



**90** Fund Managers & Analysts, with local and international market expertise



**16** Years of average experience



**14** Countries in which we have Fund Management capabilities, spread across 4 continents



**1300+** Companies under coverage

### EXPERTISE

- **Equity:** 40%
- **Fixed Income:** 25%
- **Multi-asset:** 12%
- **Insurance Linked:** 6%
- **Alternative:** 5%
- **Quant Strategy:** 5%
- **Multi-manager:** 5%
- **Global Macro:** 2%

\*



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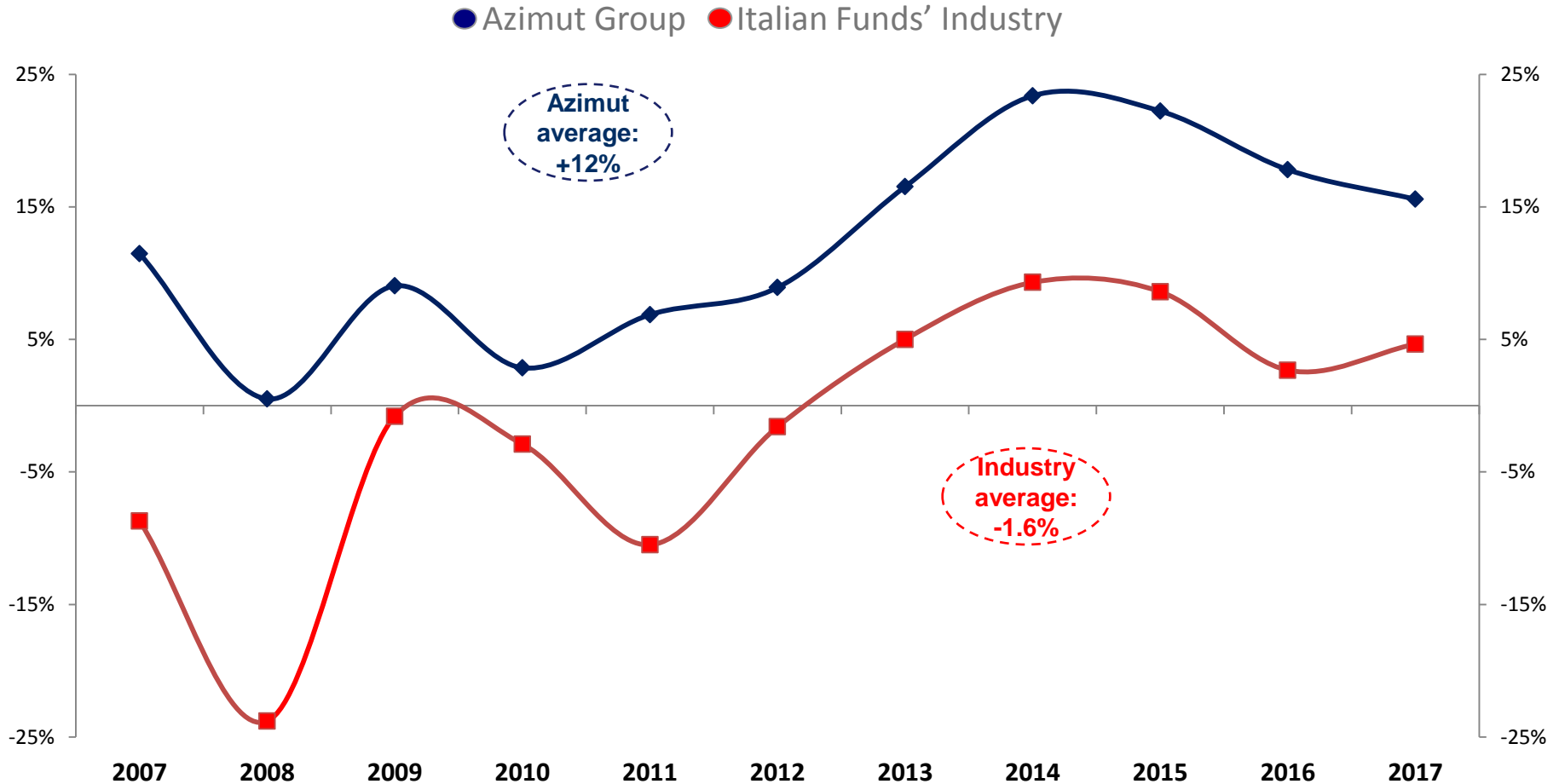
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# Net Inflows – Azimut Group vs. Avg. Italian Industry

**Azimut Group total Net New Money as % of AuM: consistently above the average Italian industry levels**

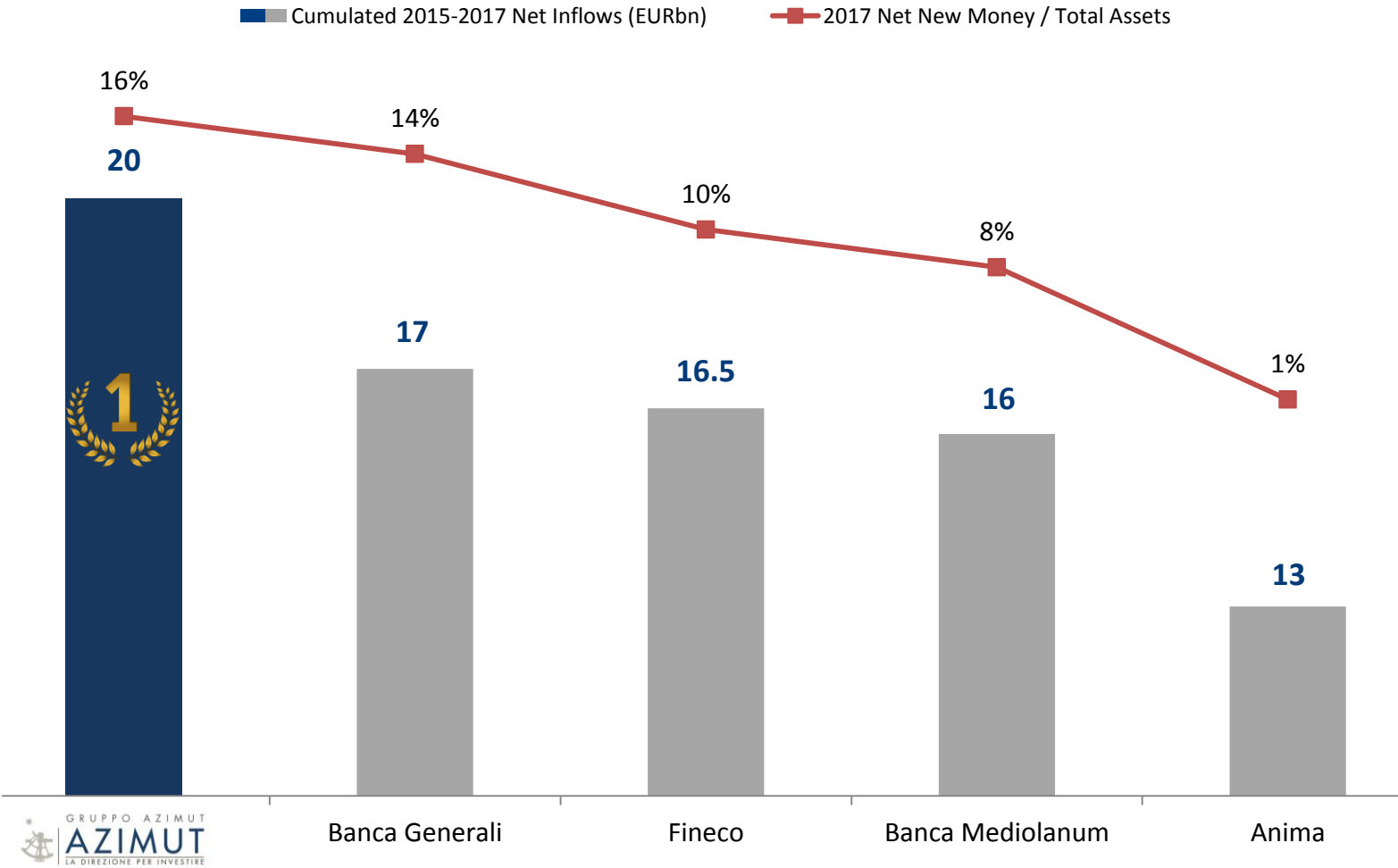


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# Net Inflows – Azimut Group vs. listed peers

**Azimut retains top spot for cumulated 3-Y Net Inflows as well as Net New Money / Total Assets**



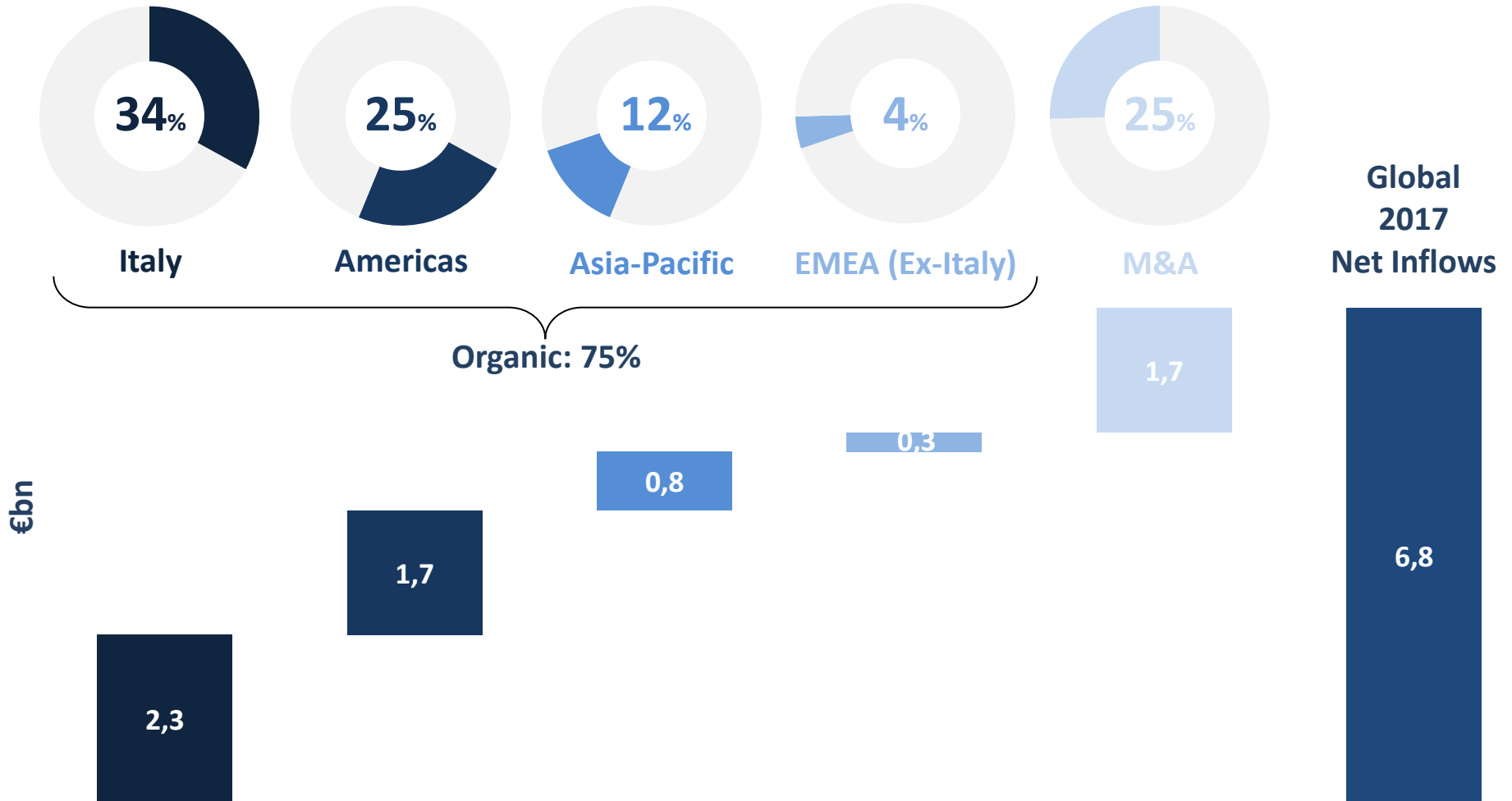
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# Breakdown of Global 2017 Net Inflows

Italian franchise is focused on quality inflows while international (organic) flows count for more than 40%



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# Recruitment – Case study Italy

The X-Ray of a “typical” Financial Advisor hired in 2017: 94 new hires during the year



A “typical” FA hired in 2017:

1,638 FAs at 31/12/2017:

Average age

**46**

% of Assets in Managed funds

**78**



**48**

% coming from Banks

**36**

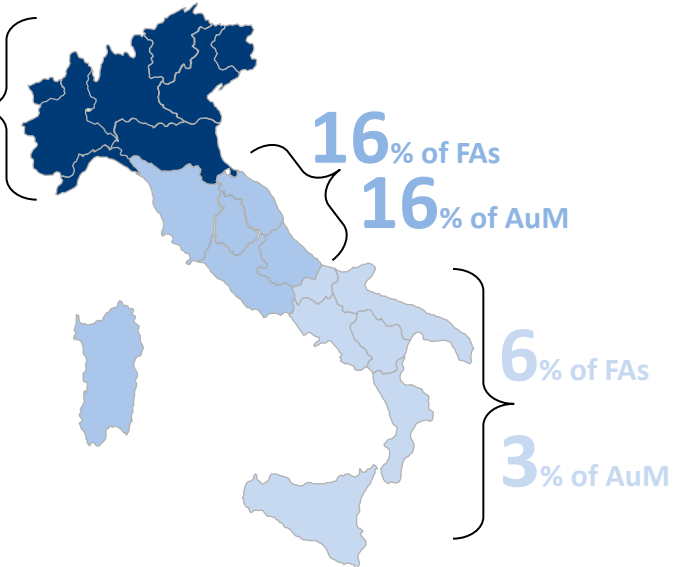
% coming from other FA networks

**27**

€mln, Average portfolio

**78%** of FAs

**81%** of AuM



\*



Source: Azimut, Assoreti .

Note: Average portfolio reflects 100% of portfolio at signing

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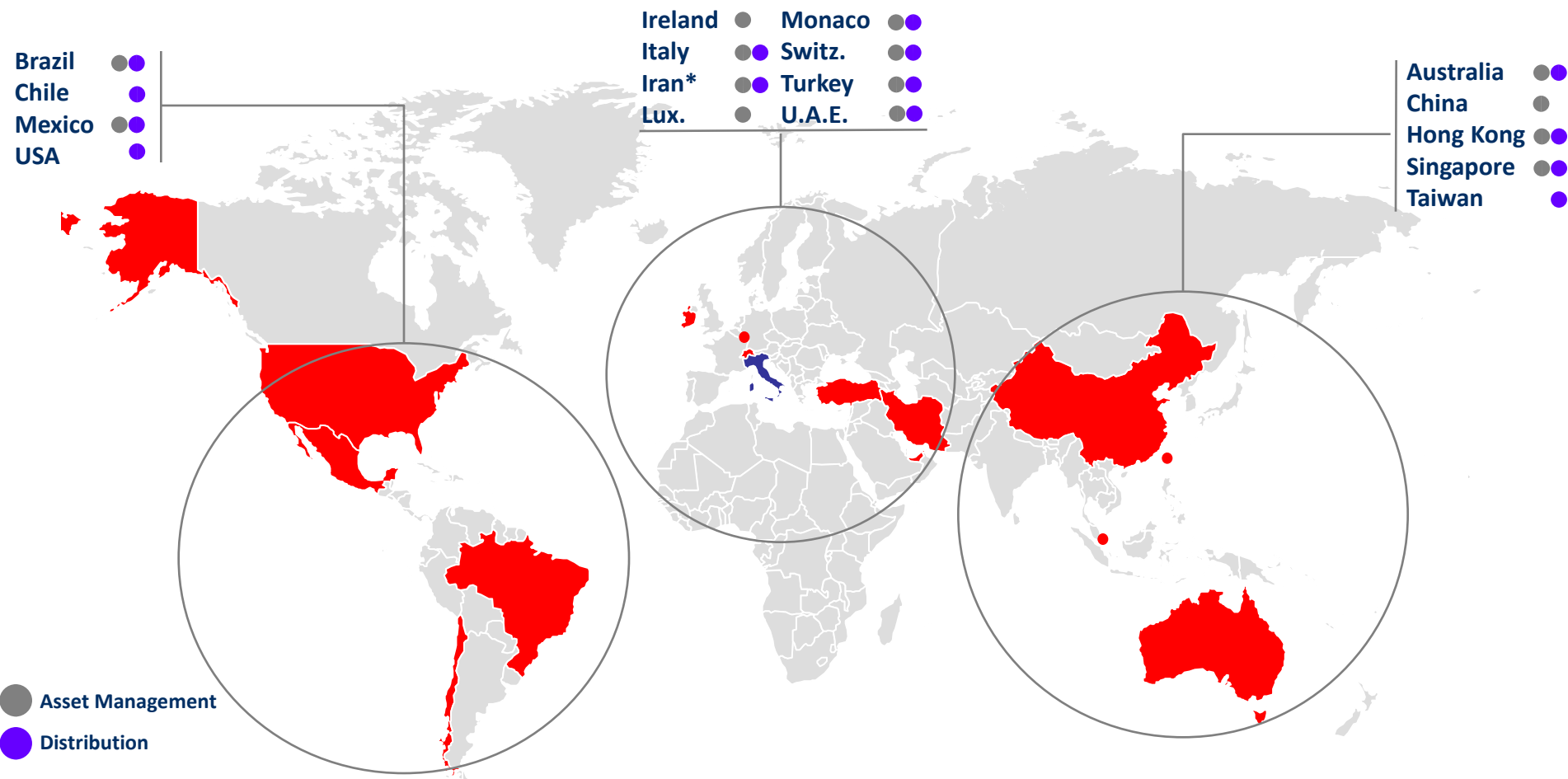
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# Azimut international presence

Azimut overseas business reached 25% of Total Assets at Dec-2017



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# Americas

Solid organic growth with additional synergies to be extracted from the region

2017 Total Assets

€3.4bn

2017 Net Inflows

€1.7bn



## Brazil:

- ✦ Exploiting synergies / efficiencies post re-organization
- ✦ **Strong organic growth in AUM thanks to launch of new products and good performance**
- ✦ Continued with recruitment of new FAs / teams

## Chile:

- ✦ Ongoing marketing activities to local institutional investors of AZ Fund key products

## Mexico:

- ✦ **Transformation into an “operadora” completed** with launch of first two mutual funds. Growth of network via FA hiring

## USA:

- ✦ AUM and clients on-boarding under way. Synergies with Brazilian operations yet to be fully exploited

Note: Includes M&A \*



# Europe & Middle East (ex-Italy)

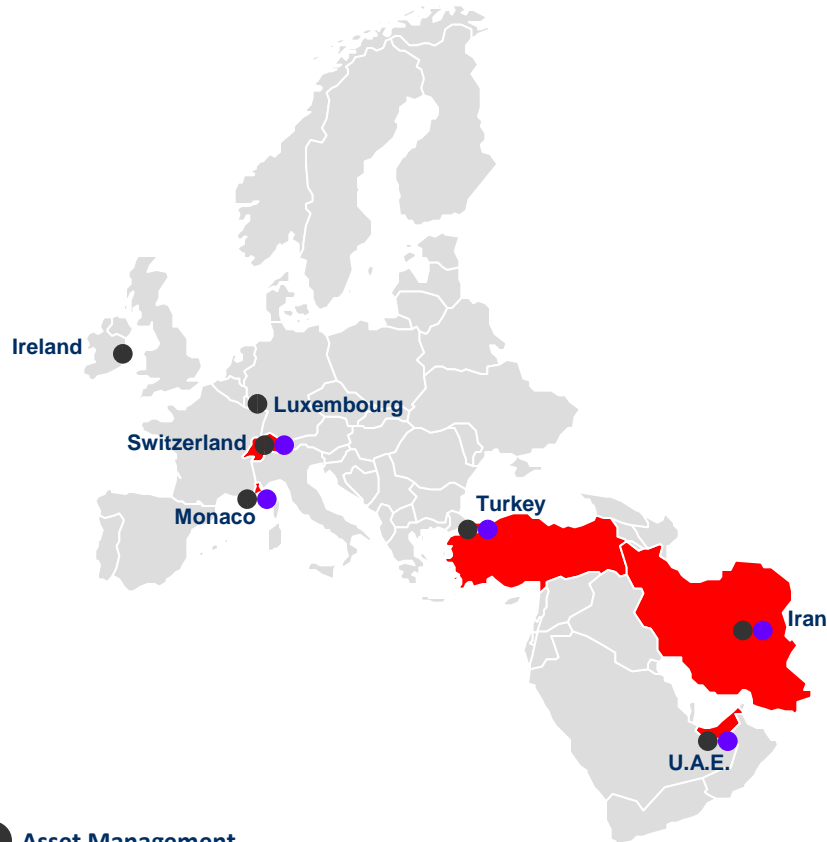
Mature markets (CH and MC) growing steadily while new, frontier markets have significant upside

2017 Total Assets

€4.2bn

2017 Net Inflows\*

€0.9bn



● Asset Management

● Distribution

## Switzerland:

- 🚧 Ongoing recruitment of private bankers
- 🚧 Acquisition of Sogel and SDB completed. Strong pipeline to grow Swiss presence

## Iran / U.A.E.:

- 🚧 Entered into Iran market with a 20% stake
- 🚧 Developing U.A.E. from a greenfield initiative

## Turkey:

- 🚧 Continued to launch innovative local products and generating a solid performance despite tough local market environment
- 🚧 Reshaped business relying less on 3<sup>rd</sup> party and more on FAs with a strong growth of the latter

## Monaco:

- 🚧 Reached 100% stake in CGM

\*

Note\*: Includes M&A



# Asia-Pacific

Granted registration as PFM in China while focused on consolidating our presence in Australia



2017 Total Assets

€4.9bn

2017 Net Inflows\*

€1.9bn

## Asia:

- ✦ **China / HK:** Actively marketing Azimut Group products to Asian investors. Granted registration as Private Fund Manager (PFM) by the Asset Management Association of China (AMAC) in 2018. **1<sup>st</sup> Eurozone based Asset Manager to obtain such accomplishment.**
- ✦ **Singapore:** hired PBs and developed local structure. Good results so far and further growth expected by hiring PBs
- ✦ **Taiwan:** Strong FA growth thanks to hiring of new Head of Sales

## Australia:

- ✦ **Developing local production through Sigma funds management attracting top tier institutional investors**
- ✦ **Expanded considerably AZ NGA franchise** through M&A and organic growth. JV activity to continue in 2018
- ✦ **Sestante:** launch of own funds ongoing

Note\*: Includes M&A



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# Consolidated reclassified Income Statement

IAS/IFRS Compliant

## Income Statement

€/000	FY 2017	FY 2016	Q4 2017	Q4 2016
Entry commission income	10.247	9.826	2.223	3.978
Recurring fees	606.598	518.866	158.088	140.017
Variable fees	136.379	130.770	42.692	50.389
Other income	8.456	7.611	2.136	2.098
Insurance revenues	48.864	38.575	13.612	10.260
<b>Total Revenues</b>	<b>810.544</b>	<b>705.648</b>	<b>218.751</b>	<b>206.742</b>
Distribution costs	(337.456)	(325.436)	(86.543)	(85.427)
Personnel and SG&A	(178.534)	(158.984)	(47.709)	(46.267)
Depreciation, amort./provisions	(16.465)	(15.920)	(4.793)	(6.635)
<i>Operating costs</i>	<i>(532.455)</i>	<i>(500.340)</i>	<i>(139.045)</i>	<i>(138.329)</i>
<b>Operating Profit</b>	<b>278.089</b>	<b>205.308</b>	<b>79.706</b>	<b>68.413</b>
Interest income	(13.057)	(3.033)	1.838	(3.613)
Net non operating costs	(8.114)	(6.323)	(4.214)	(2.464)
Interest expenses	(9.646)	(11.063)	(1.877)	(2.793)
<b>Profit Before Tax</b>	<b>247.272</b>	<b>184.889</b>	<b>75.453</b>	<b>59.543</b>
Income tax	(22.854)	(19.281)	(9.084)	(6.503)
Deferred tax	1.491	11.696	(3.289)	469
<b>Net Profit</b>	<b>225.909</b>	<b>177.304</b>	<b>63.080</b>	<b>53.509</b>
Minorities	11.123	4.619	4.490	2.122
<b>Consolidated Net Profit</b>	<b>214.786</b>	<b>172.685</b>	<b>58.590</b>	<b>51.387</b>
<b>Consolidated Net Profit (excluding one-offs*)</b>	<b>220.085</b>	<b>172.685</b>	<b>58.590</b>	<b>51.387</b>

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# Net Financial Position

IAS/IFRS Compliant

## Net Financial Position

€/000	31/12/2017	30/06/2017	31/12/2016
Amounts due to banks:	(10.000)	(10.000)	(20.051)
<i>Senior Loan</i>	(10.000)	(10.000)	(20.051)
Securities issued:	(353.816)	(350.125)	(226.522)
<i>Azimut 17-22 senior bond 2.0%</i>	(353.816)	(350.125)	
<i>Azimut 13-20 convertible bond 2.125%</i>			(226.522)
<b>TOTAL DEBT</b>	<b>(363.816)</b>	<b>(360.125)</b>	<b>(246.573)</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>498.687</b>	<b>394.919</b>	<b>438.832</b>
<b>NET FINANCIAL POSITION</b>	<b>134.871</b>	<b>34.794</b>	<b>192.259</b>

- 🚫 Treasury shares (not booked within the NFP) stand at ca. 9%
- 🚫 The NFP at the end of December includes mainly the following variations :
  - 🚫 €133mln ordinary dividends paid in May 2017
  - 🚫 €70mln share buyback purchases<sup>(1)</sup>
  - 🚫 €10mln Senior loan partial repayment (June 30, 2017)
  - 🚫 Repayment of the “Azimut 13-20 convertible bond 2.125%” fully tendered on 05/04/2017 @ ca. 110

\*

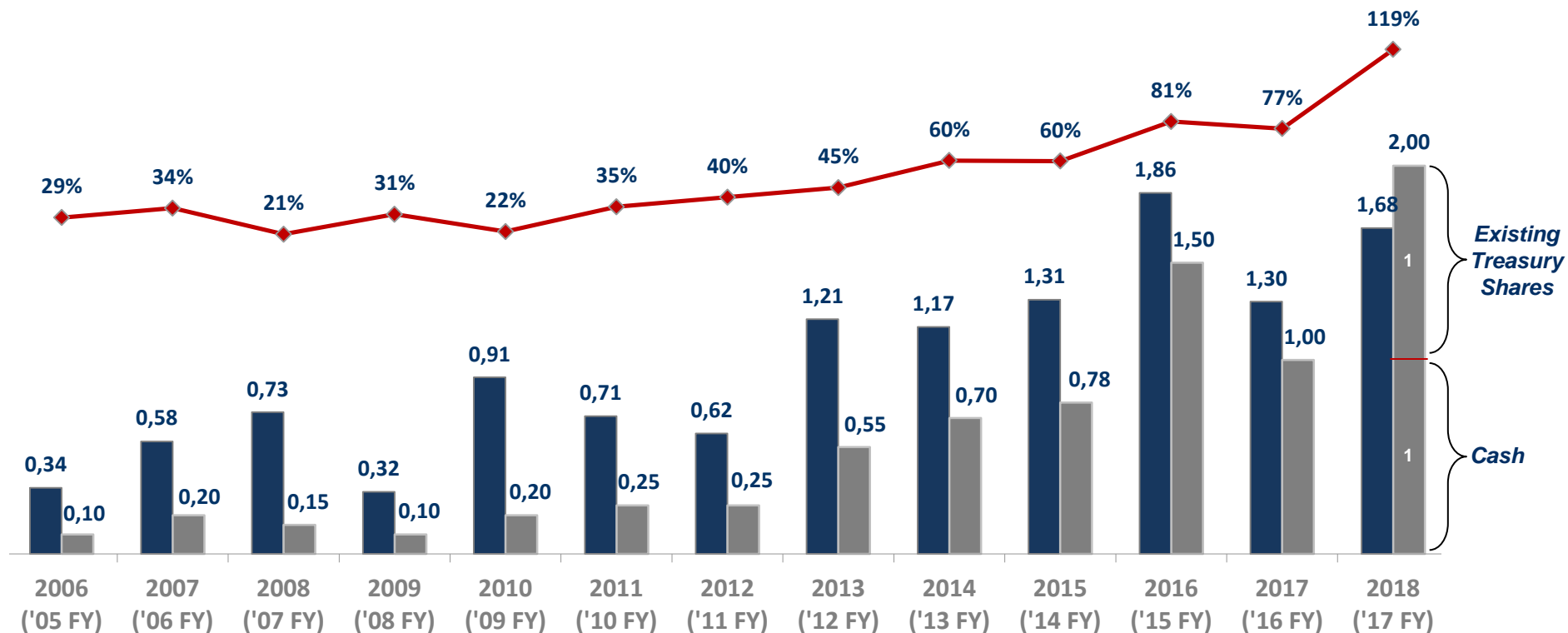


# Capital Management & Returns

Delivering on capital return to shareholders: record DPS and € 100mln buybacks completed

EPS & DPS in €

■ EPS ■ DPS ◆ Payout



- 🏆 **Total ordinary dividend proposed: €2.0p.s.\*; €1.0p.s. in Cash and the other €1.0p.s. through existing treasury shares**
  - 🏆 **Payout at ca. 119% and highest dividend yield amongst the FTSE-MIB despite fundamentally remaining a growth stock**
  - 🏆 **Initiated a share buyback plan in Feb. 2017, €100mln worth of shares bought in the last 12 months. Can buy up to 20% of share capital as per latest AGM approval (as of 8/3/2018 own shares at ca. 9%)**



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# Summary & Outlook

## Well positioned for growth thanks to diversification, outperformance and an effective management team

- **FY 2017 was the second best Net Profit in the Group's history, with Revenues growing more than 2x Costs**
  - Delivering positive operating leverage
  - Achieving profitability levels in line with targets (almost 60bps Net Profit / AUM)
- **Focused on outperformance and a dedicated product offering**
  - Leveraging our global presence with the launch of a Global Team and Global Trading Desk
  - Reduction in product offering to have a more focused and simplified offering for the network and clients
- **Capital Management activities on track**
  - Significant step up in DPS thanks to cash as well as treasury shares
  - €100mln Buybacks completed in the last 12 months
- **Well diversified sources of Net New Money coming from both Italy and abroad**
  - More than €20bn gathered in 3 years
  - 75% of Net Inflows in 2017 were organic (mostly international)
- **Achieved all target of business plan, focused on the last remaining one: €300mln Net Profit by 2019**

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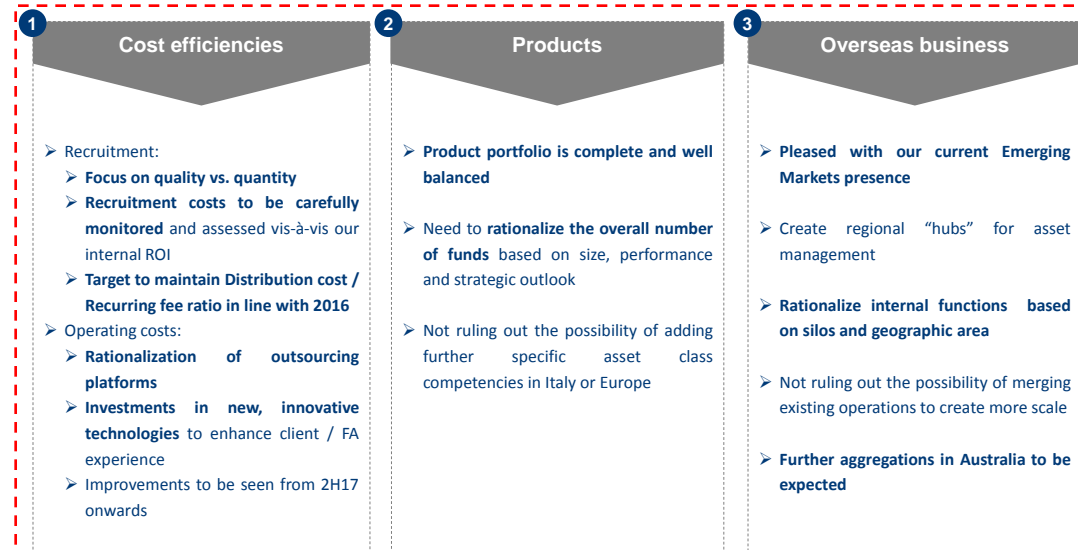


# Areas of focus going forward

## Slide from the past: delivered what we announced and continuing on the right growth path

➤ In the FY 2016 results we announced a focus on three main areas: **Cost Efficiencies, Products and Overseas Business**

- 1. Cost efficiencies:** demonstrated ability to generate positive operating leverage, lowest cost increase in the past 7 years
- 2. Products:** reduction of small, lower performing funds and simplification of product offering vis-à-vis clients and advisors
- 3. Overseas:** strong organic contribution from overseas, heading towards every country in break-even. Only focused M&A (Australia and exceptional opportunities).



➤ **2018 will focus on:**

- Additional delivery on cost exercises and Operating Leverage
- More granularity on international operations
- Key initiatives on a more equity oriented asset mix, leading to potential increase in average margins
- Outperformance in core and emerging markets given strong local expertise and track record



# Update on 2015-2019 business plan: on track

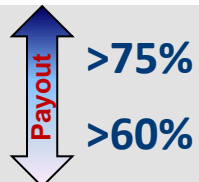
Almost all 2019 targets reached 2 years ahead of schedule; Net Profit figures are encouraging

**Legend:**

✓✓ : Ahead of schedule

✓ : On schedule

✗ : Behind schedule

	Today	2019 Target	Status
<b>Total Assets</b> <i>Of which outside Italy</i>	€51.3bn <sup>(1)</sup> 25%	€50bn ~15%	✓✓ ✓✓
<b>FY Net Profit</b>	€220mln <sup>(2)</sup>	€300mln	✓✓
<b>Annual. Net Inflows</b>	€6.8bn	€2.5bn <sup>(3)</sup>	✓✓
<b>Dividend Policy</b>	€2.0p.s. <sup>(4)</sup> 100%+ Payout		✓✓

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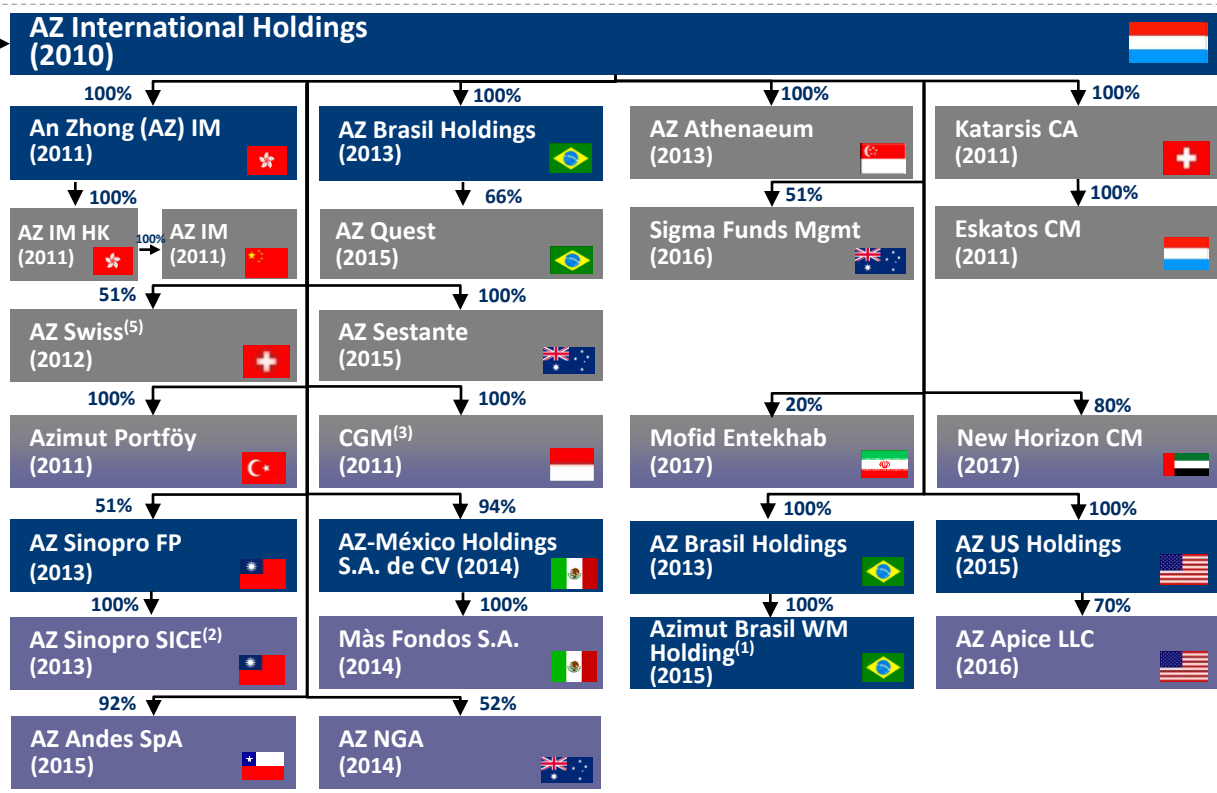


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# Azimut Group Structure

## Azimut Holding (Listed: AZM.IM)



**Asset Management**

100% → AZ Fund<sup>(4)</sup> (1999) (Hungary flag)

100% → Azimut Capital Management (2004) (Italy flag)

**Distribution**

100% → Azimut Financial Insurance (2015) (Italy flag)

**Life Insurance**

100% → AZ Life (2003) (Italy flag)

**Alternatives**

100% → Azimut Enterprises (2014) (Italy flag)

100% → Azimut Libera Impresa SGR (2014) (Italy flag)

100% → Azimut Global Counseling (2013) (Italy flag)

Note (1): Controls distribution companies M&O Consultoria, FuturalInvest and Azimut Brasil Wealth Management. Note (2): controls AZ Sinopro Insurance Planning. Note (3): Controls 100% of CGM Italia SGR. Note (4): 49% owned through Azimut Partecipazioni, fully owned by Azimut Holding. Note (5): controls SDB Financial Solutions

Source: Company data as at 8/3/2018



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# Azimut Group business overview

## Azimut Holding

(Listed: AZM.IM)



	Life Insurance	Asset Management		Distribution		Inv. Banking & Alternative
EMEA	Ireland	Italy	Luxembourg	Italy	Monaco	Italy
		Ireland	Monaco	Turkey	Switzerland	
		Switzerland	Turkey	UAE	Iran*	
		UAE	Iran*			
ASIA-PACIFIC		Hong Kong	China	Taiwan	Australia	
		Singapore	Australia	Hong Kong	Singapore	
AMERICAS		Brazil	Mexico	Brazil	Mexico	
				Chile	USA	

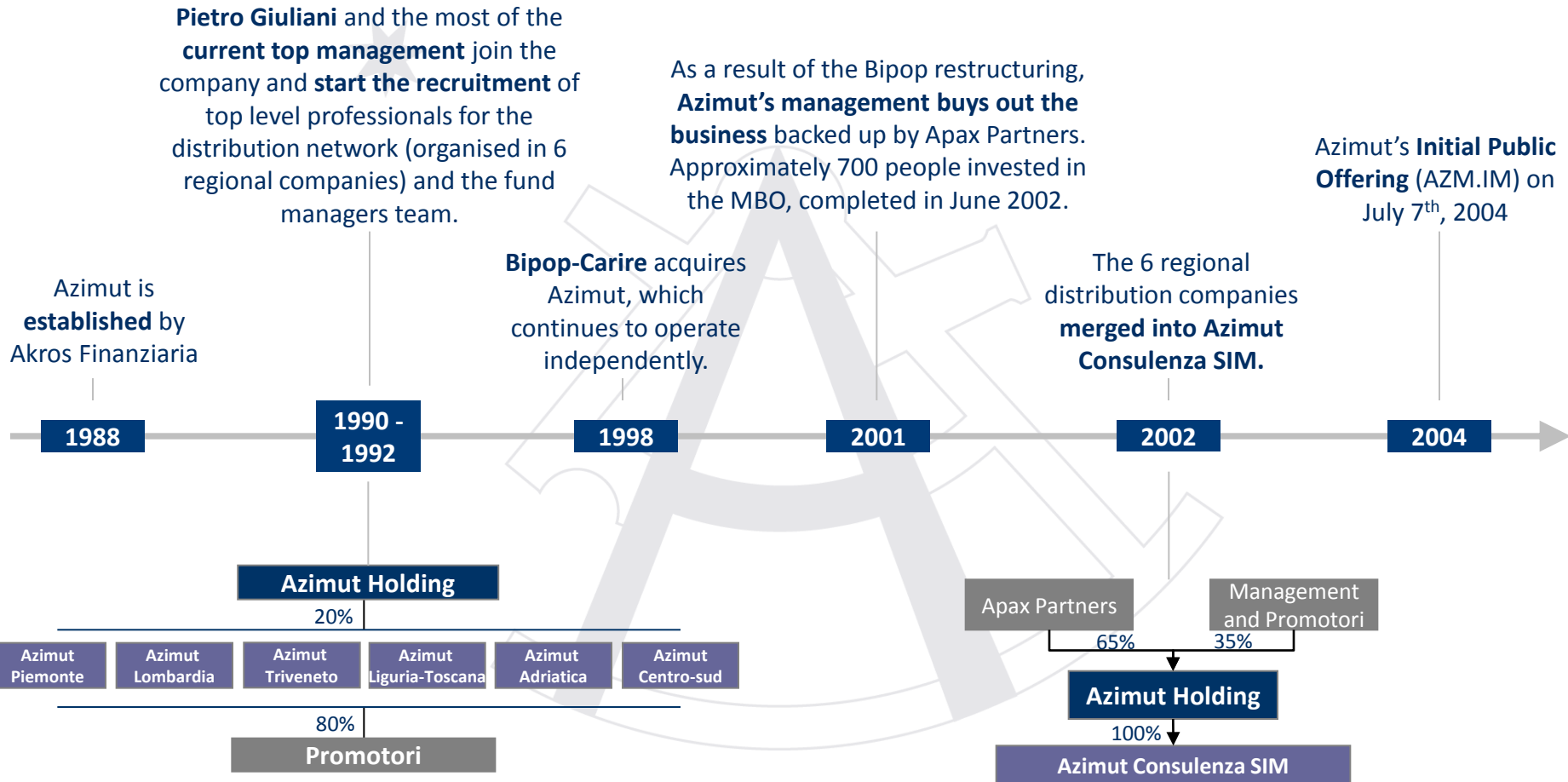
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# Azimut pre-IPO history

## 20+ years of growth and evolution

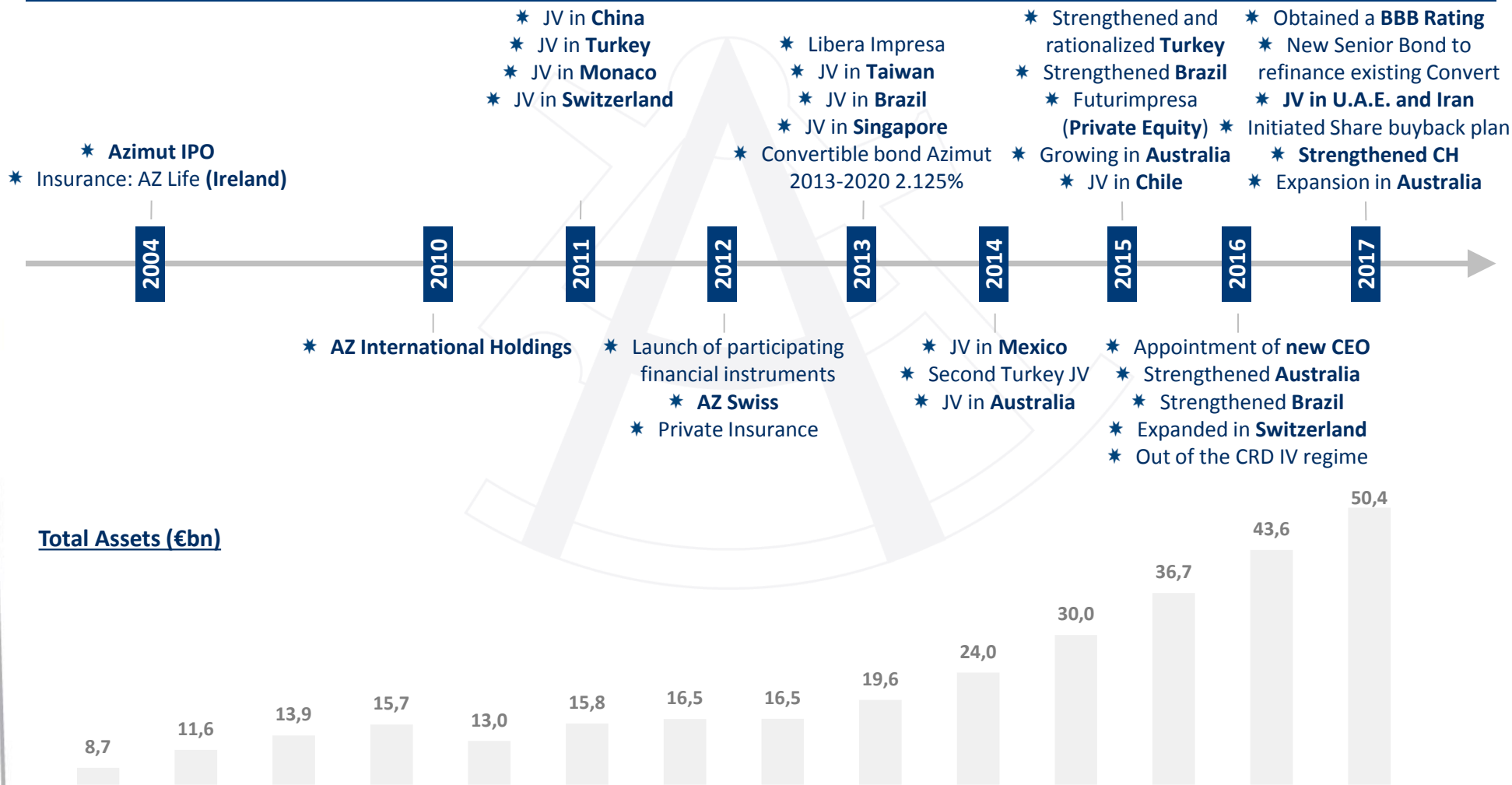


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# Azimut post-IPO development

## A dynamic Group at the verge of product and corporate innovation

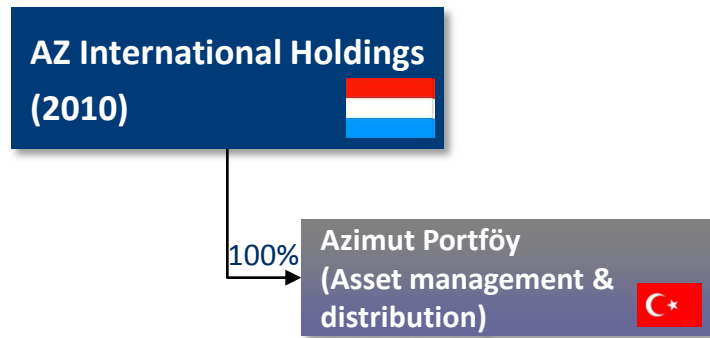


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# International expansion – Turkey

2011: Start of a building block leading us to become the largest independent player in Turkey



- ✦ In 2011 Azimut entered the Turkish market through AZ International Holdings S.A. (“AIH”) with the aim of growing on both the production and distribution sides of the business
- ✦ In October 2014 Azimut acquired 70% of Notus, a Turkish independent asset management company. Notus manages discretionary portfolio mandates for individual and corporate clients ensuring diversified and efficient asset allocation plans across local and international markets.
- ✦ In December 2014 Azimut acquired 100% of AZ Global (renamed Azimut Portfooy) to continue its growth plans in Turkey
- ✦ In January 2015 Azimut reached an agreement to acquire 70% of Bosphorus Capital (later merged into Azimut Portfooy).
- ✦ In September/October 2015 Azimut announced the reorganization of its Turkish platform to extract stronger commercial synergies and operational efficiencies, concentrating its business in Azimut Portfooy
- ✦ The commercial and industrial integration within Azimut Portföy creates the Turkish largest independent player with a 5% market share



# International expansion – Switzerland

## 2011: Start of a building block to create an independent asset management player

AZ International Holdings S.A.  
(2010)



100%

Katarsis CA  
(2011)



51%

AZ Swiss & Partners  
(2012)



100%

SDB Capital Holding  
(2017)



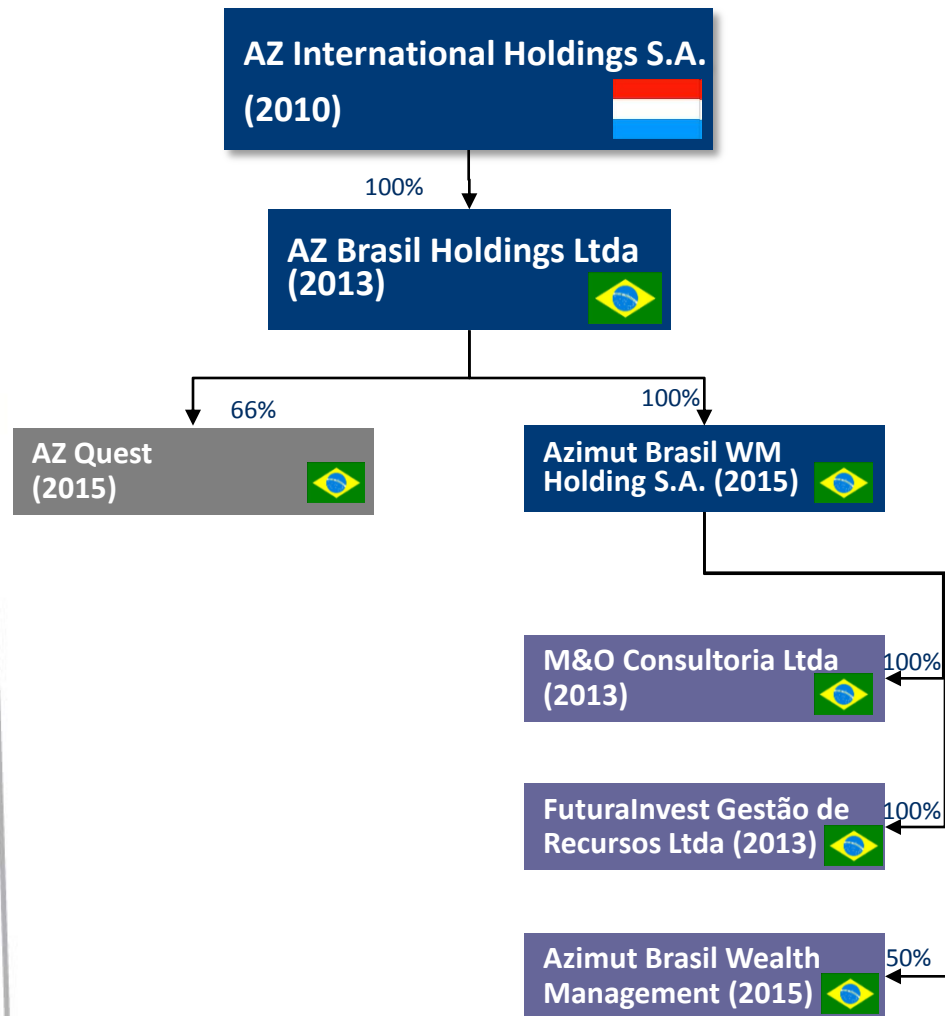
- ✦ AZ Swiss & Partners was established in 2012 and, on January 2016 following the acquisition of Augustum Opus, has received the authorization from the FINMA, the Swiss Financial Market Supervisory Authority, to operate under a LICol license.
- ✦ In June 2016 AZ Swiss acquired the business of Sogel Capital Holding S.A., which will form a new division within AZ Swiss to be headed by Sogel's current founder and CEO.
- ✦ In June 2017, AZ Swiss acquired the entire equity capital of SDB Financial Solutions S.A. ("SDB"), which will operate as a subsidiary of AZ Swiss and will continue to be headed by SDB's current management team. With this second acquisition and its organic growth strategy AZ Swiss has achieved total AuM of almost € 2bn) as of December 2017.
- ✦ With these acquisitions AZ Swiss is starting to deploy its strategy based on: (i) the management of mutual funds (both UCITS and FIA) and discretionary portfolios; (ii) the distribution of funds to qualified investors (HNW and institutional clients); (iii) the consolidation of independent asset managers and private bankers in Switzerland to grow an independent wealth management platform.

\*



# International expansion – Brazil

## 2013: Azimut enters LATAM with a JV in the Brazilian asset management market

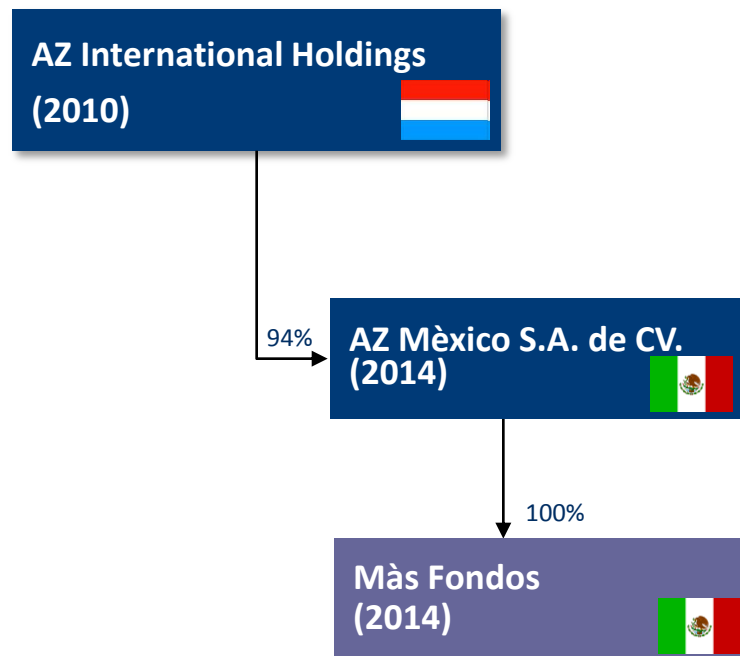


- ✦ On 10 October 2013 Azimut acquired 50% of Legan (later merged into AZ Quest), an asset management company with excellent track record.
- ✦ Subsequently, on 13 February 2014, Azimut completed the acquisition of 50% of AZ FI Holding (later increased to 100% and renamed Azimut Brasil Wealth Management Holding).
- ✦ Azimut WM Holding controls M&O (financial services through advisory on asset allocation, funds selection and financial education) and FuturalInvest (dedicated to asset management services through funds of funds and managed accounts).
- ✦ In February 2015 Azimut completed the acquisition of a 50% stake in LFI (later renamed Azimut Brasil WM), focused on Wealth Management
- ✦ In April 2015 Azimut announced the acquisition of a 60% stake in award-winning Quest Investimentos, managing mostly equity products and employs one of Brazil's best-performing fund managers.



# International expansion – Mexico

## 2014: Azimut expands LATAM with a JV in the Mexican market



- On 17<sup>th</sup> June 2014 Azimut through its subsidiary AZ International Holdings S.A. (“AIH”) acquired 82.14% of Profie S.A. (renamed AZ Mèxico) a Mexican holding company controlling the entire equity capital of Más Fondos S.A. (“Más Fondos”), Mexico’s largest pure independent asset management distribution company.
- Through this partnership, Azimut and Más Fondos will cooperate to develop an integrated platform centred on a proprietary financial advisors network working in an open-architecture environment to exploit the growth potential of the Mexican market.
- In 2015 Azimut increased its stake in Más Fondos (to 94%), reaffirming commitment to build a fully integrated platform
- On the 2<sup>nd</sup> January 2017 Mas Fondos started fund management operations in Mexico with the launch of two local products and an additional one being launched in the 2H 2017. The launch of the first two funds is allowing us to continue building an integrated platform and increase overall profitability. At the 30<sup>th</sup> of June about 25% of Mas Fondos asset are managed on the two funds.

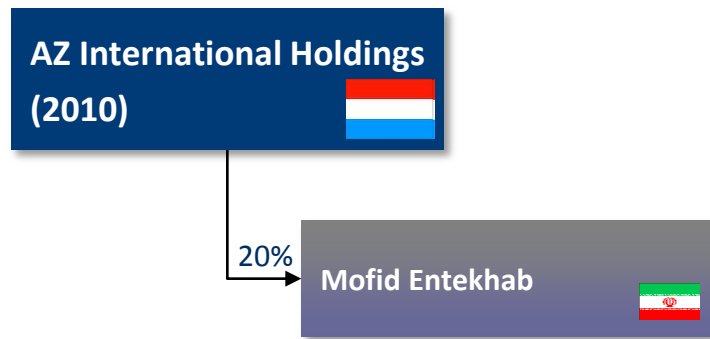
Short “termism” is institutionally banned





# International expansion – Iran

2017: first global financial institution acquiring a stake in a company providing financial services in Iran

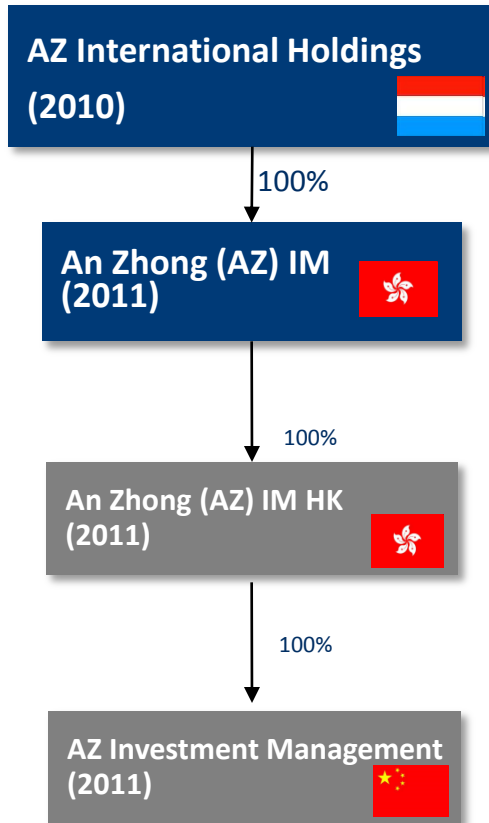


- ✦ Azimut signed an agreement to acquire 20% of Mofid Entekhab (“Entekhab”), the largest independent asset management company of Iran, which is part of the Mofid Group, the largest brokerage firm and financial advisory in the Country.
- ✦ Entekhab is the carve out of the asset management business of Mofid Securities with AUM of USD 89 million at the end of September 2017 distributed between 6 mutual funds and managed accounts. It has an 8% market share for equity funds and is the largest independent asset management company in Iran.
- ✦ Iran is one of a kind opportunity for global asset management companies being underpinned by strong demographics, high GDP-PPP adjusted per capita, low capitalization of the economy, structural limitations for local banks to raise capital through local deposits and high entry barrier for foreign investors.
- ✦ Azimut and Mofid will also participate pro rata to a capital increase to finance the business plan to develop a range of investment strategies in local asset classes, to build a local trained sales force providing financial advisory and wealth management services and launch offshore funds for foreign investors.
- ✦ The parties have ensured that the partnership will be compliant with economic sanctions requirements.



# International expansion – China / HK

## 2010: Definition of a frame agreement with local entrepreneurs/partners

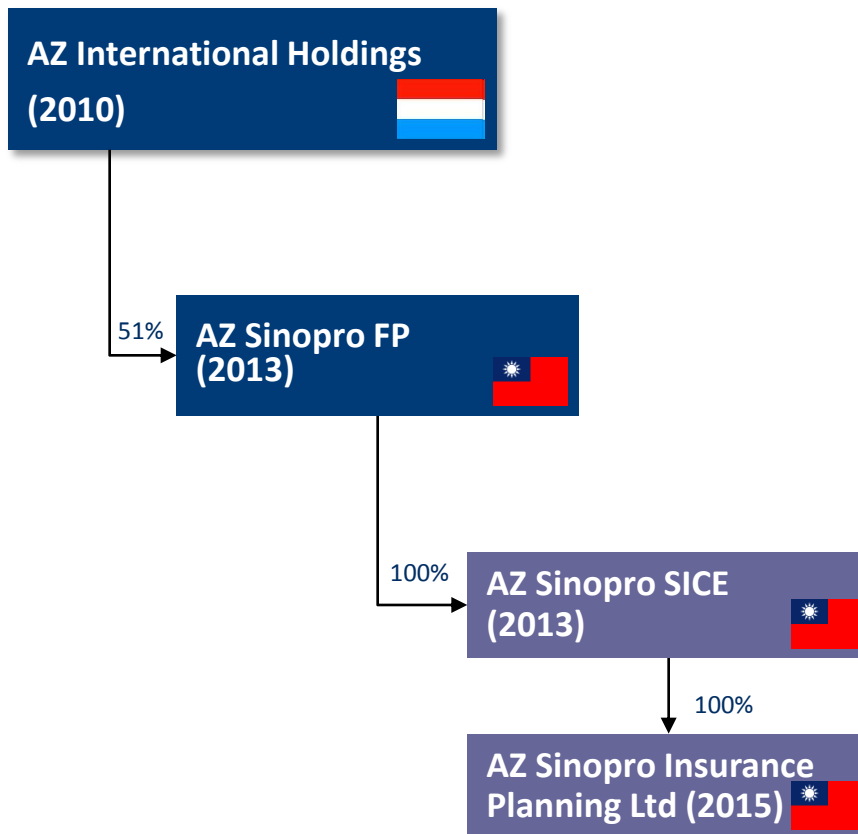


- 🏆 **An Zhong (AZ) Investment Management in Hong Kong** is the Holding company. Azimut, through the Holding company, oversees the operating subsidiaries and has relocated 3 Senior PMs from Luxembourg. Azimut manages one of the largest RMB fund in the world
- 🏆 Through the operating subsidiaries Azimut aims at creating a **regional hub** and developing local production and distribution of asset management products and investment advisory services with a **focus on qualified investors**.
- 🏆 In March 2018, **AZ Investment Management (Shanghai)** has been granted registration as **Private Fund Manager (PFM)** by the **Asset Management Association of China (AMAC)** - a self-regulatory organization that represents the mutual fund industry of China. **Azimut is the first eurozone based asset manager to have obtained the license**, assigned to a limited and selected number of international asset managers.
- 🏆 The license will allow Azimut's subsidiary to launch, manage and offer onshore investment products to institutional and high net worth investors (HNWIs) in Mainland China.



# International expansion – Taiwan

## 2013: Azimut widens its Asian presence with a JV in the distribution business in Taiwan



On 27<sup>th</sup> June 2013 AZ International Holdings S.A. (“AIH”) and An Ping Investment (later renamed AZ Sinopro Financial Planning), a Taiwanese holding controlling the entire capital of Sinopro Financial Planning Taiwan Limited (“Sinopro”), signed an investment and shareholders agreement to start a partnership in the distribution of asset management products in Taiwan.

In particular, Azimut purchased 51% of An Ping Investment’s capital from its existing shareholders for an investment of ca. € 3mn to finance the business development activities, and has also call/put option rights.

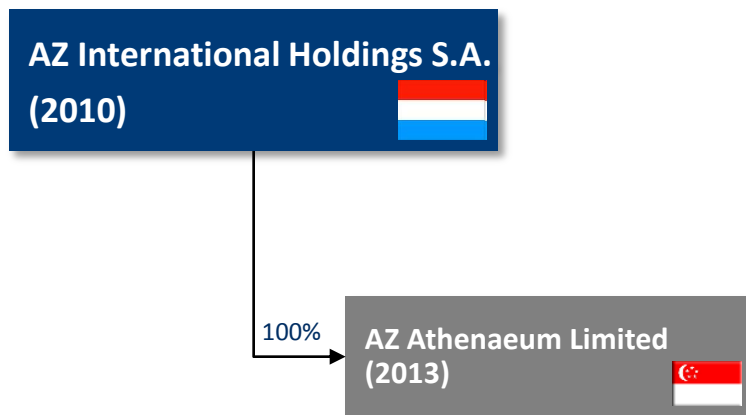
The partnership increases Azimut presence in the Asian market together with a strong and dedicated financial planning and distribution partner, which will contribute in developing the financial knowledge and will respond to planning and financial consulting needs of Taiwanese investors

\*



# International expansion – Singapore

## 2013: Azimut signs a JV with a Singapore based asset management company



- ✦ On 2<sup>nd</sup> October 2013 Azimut and Athenaem Ltd, a Singapore independent asset management company, have signed an investment and shareholders agreement to start a partnership in the local market.
- ✦ Azimut initially purchased 55% of Athenaem’s corporate capital through a capital increase, which was employed to finance the business plan.
- ✦ Through this partnership, Azimut and Athenaem will aim at maximising the potential of Athenaem’s existing funds and develop an internal sales structure to service institutional and HNWI investors in South East Asia. In addition, the partners will work to leverage these asset management competences via Azimut international presence and clients.
- ✦ In January 2016 Azimut acquired the remaining 45% to extract stronger commercial synergies and operational efficiencies abroad.
- ✦ The local partners agreed to continue working together over the long term to grow the business in Singapore and focus on managing the local products as well as cultivating relationships with family offices and HNWI in the region.

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# International expansion – Australia

## 2014: Azimut signs an agreement to enter the Australian asset management market

**AZ International Holdings S.A.**  
(2010)



100%

**AZ Sestante**  
(2015)



51%

**Sigma Funds Management**  
(2016)



52%

**AZ Next Generation Advisory**  
(2014)



All 100%

- |  |                                       |                            |
|--|---------------------------------------|----------------------------|
| ➤ Eureka Whittaker Macnaught (2015)            | ➤ Empowered Financial Partners (2016) | ➤ Wealthmed (2017)         |
| ➤ Pride Advice (2015)                          | ➤ Wealthwise (2016)                   | ➤ FHM (2017)               |
| ➤ Lifestyle Financial Planning Services (2015) | ➤ Priority Advisory Group (2016)      | ➤ Henderson Maxwell (2017) |
| ➤ Financial Lifestyle Partners (2015)          | ➤ Sterling Planners (2016)            |                            |
| ➤ Wise Planners (2015)                         | ➤ Logiro (2016)                       |                            |
| ➤ Harvest Wealth (2015)                        | ➤ On-Track (2016)                     |                            |
| ➤ RI Toowoomba (2016)                          | ➤ MTP (2017)                          |                            |
|  | ➤ PnP (2017)                          |                            |

- On November 3<sup>rd</sup>, 2014, Azimut acquired a 93% stake in Next Generation Advisory (“NGA”), an Australian based newco established with the purpose of consolidating financial planning businesses providing asset allocation and advisory services to local retail, HNW and institutional clients.
- The business plan targets to reach AUD 7.6bn of consolidated AuM (ca. €5.3bn) in the next 12 years
  - In the first year of operations the plan is well ahead of schedule
- The Australian wealth management industry is the largest market in the Asia Pacific region and the 4th largest in the world. Australia has one of the world’s leading pension system (Superannuation), which has underpinned the growth of the Australian asset management industry.
- In August 2015, a majority stake (76%, later increased to 100%) was acquired in Ironbark Funds Management (RE) Ltd (renamed AZ Sestante), a company operating as trustee and manager of Australian mutual funds, necessary to launch and offer funds locally.

\*

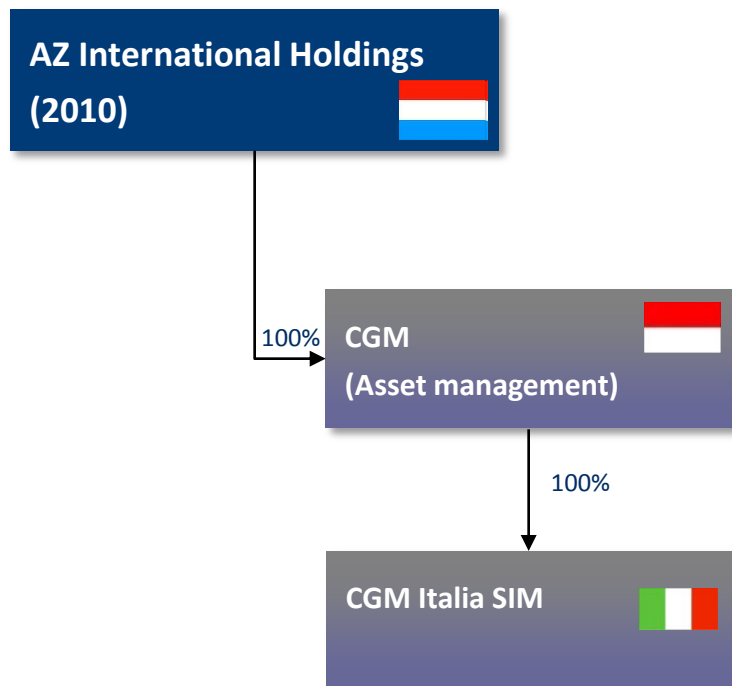


Based on a AUD/€ exchange rate of 1:0,6948

Note: the AZ NGA controlling structure is a summarized representation

# International expansion – Monaco

## 2011: Agreement for a 51% stake acquisition



- On 10<sup>th</sup> May 2011 Azimut through its subsidiary AZ International Holdings S.A. (“AIH”) signed a binding frame agreement with CGM (**Compagnie de Gestion privée Monegasque**); the acquisition of a 51% stake has been completed on 30<sup>th</sup> December 2011.
- The partnership added new competences to Azimut Group targeting UHNWI also thanks to CGM’s operating subsidiary in Italy.
- Current CGM management entered Azimut’s shareholders’ agreement.
- In 2016, Azimut reached an agreement to acquire the remaining 49% as of 31/12/2017

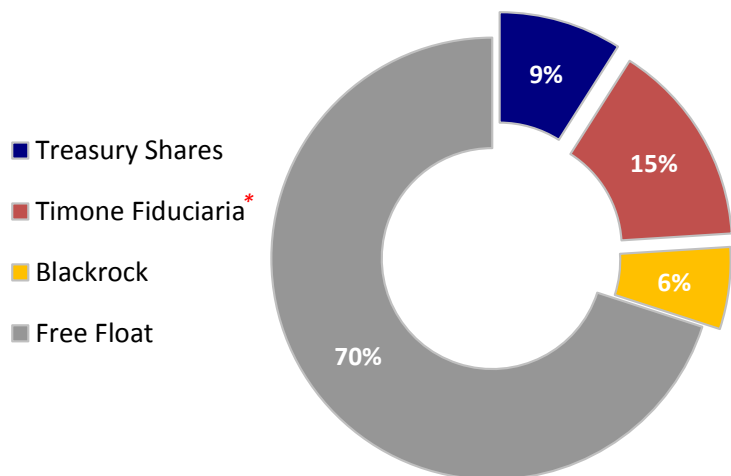


# Azimut's shareholder base

**Total shares issued: 143.3m**

**Timone Fiduciaria** represents the shares of over 1,600 individual shareholders (Consulenti, employees, managers working for Azimut), tied up in a strong shareholders' agreement.

Through a **voluntary Employee Purchase Plan**, almost **1,200 participants** of the shareholders agreement **are buying Azimut shares** on a monthly basis **up until 2021**, including the Chairman with €100k per month.



## Timone: a strong agreement for l/t commitment

**Participants** Advisors, employees and management organised in separate areas

**Duration** 3 years automatically renewed unless the absolute majority of the voting rights refuses. Already renewed in 2013 and 2016

**Share lock-up** Part of each participant's shares are locked following a table based on the tenure within the Agreement. The residual can be sold at any time but subject to pre-emption right amongst other participants. The price for this transfer is a 30 days rolling average.

Years matured*	% of locked shares
< 3	75%
3 - 6	66%
6 - 9	33%
> 9	25%

**Governance** A share trust includes 100% of the voting rights of the participants.

A committee is responsible for managing and monitoring the participants' obligations and rights under the agreement

Source: Azimut, Mar. 2018

Note\*: Timone announced its intention to increase its stake through a stakebuilding transaction, in any case not to exceed the obligation to launch a mandatory take-over bid.



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# One step ahead: Azimut initiatives in context

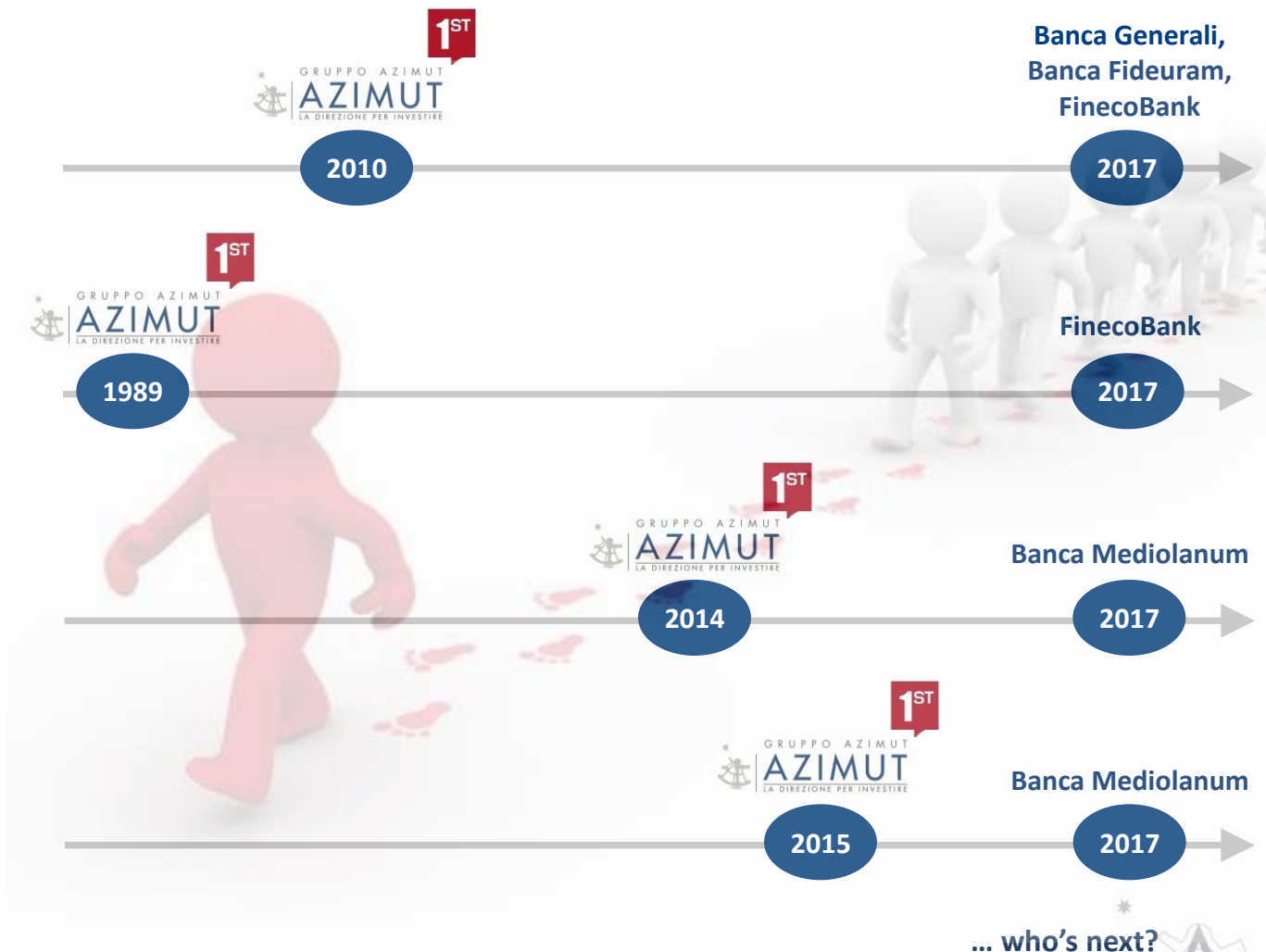
Undisputed leader in corporate and product innovation thanks to an effective and unique business model

International expansion

Integrated Asset Management & Distribution model

Alternatives, support to Italian SMEs and Entrepreneurs

Blockchain and new technologies



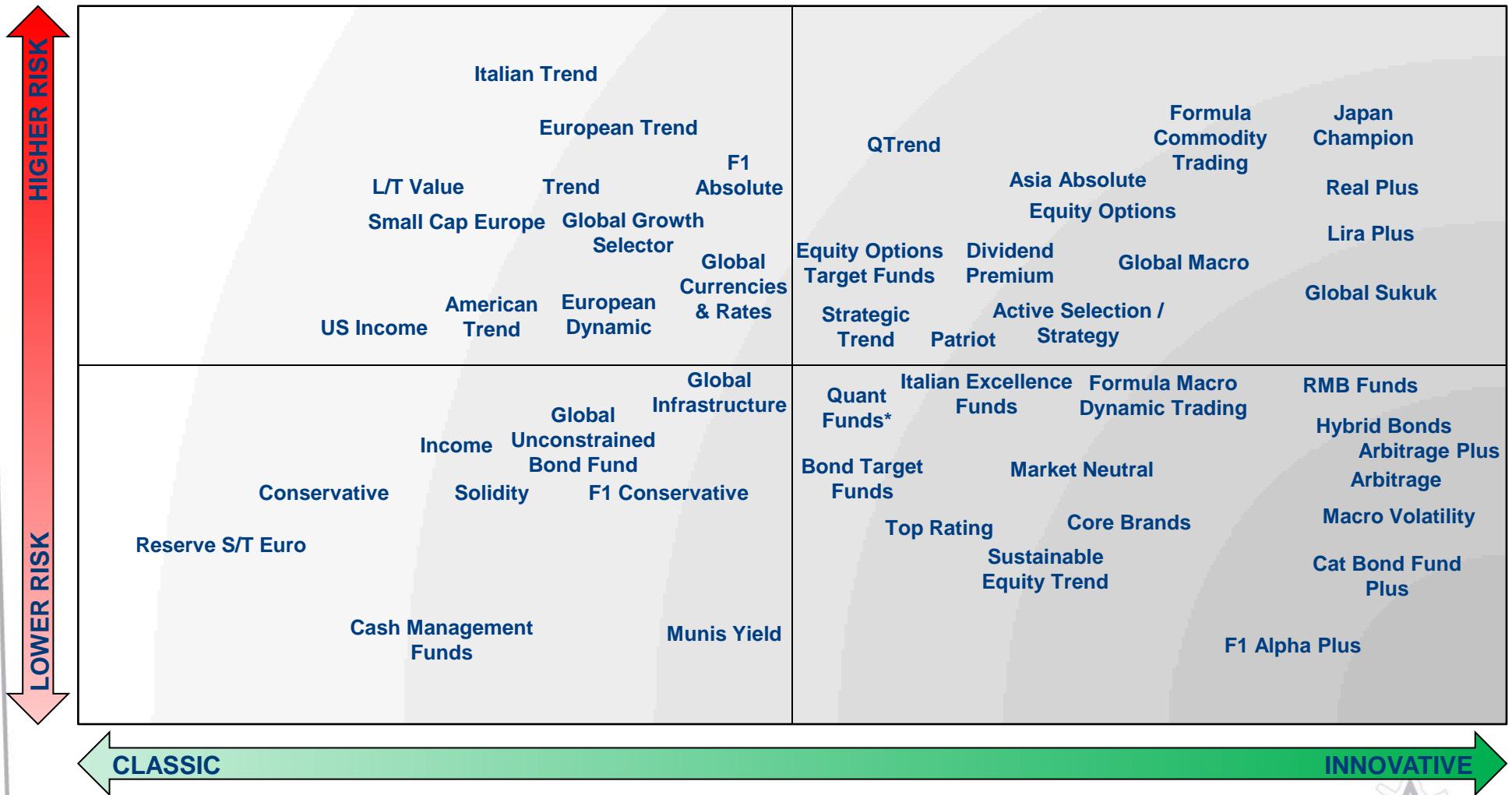
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# Summarized Azimut product offering

A balanced and complete product offering, focused on innovation and performance



Note: for illustrative purposes only, may not be not exhaustive.

Does not include FOF, Multiasset.

Note\*: Including QProtection, QBond, Qinternational

Source: Azimut as of 31/12/2017

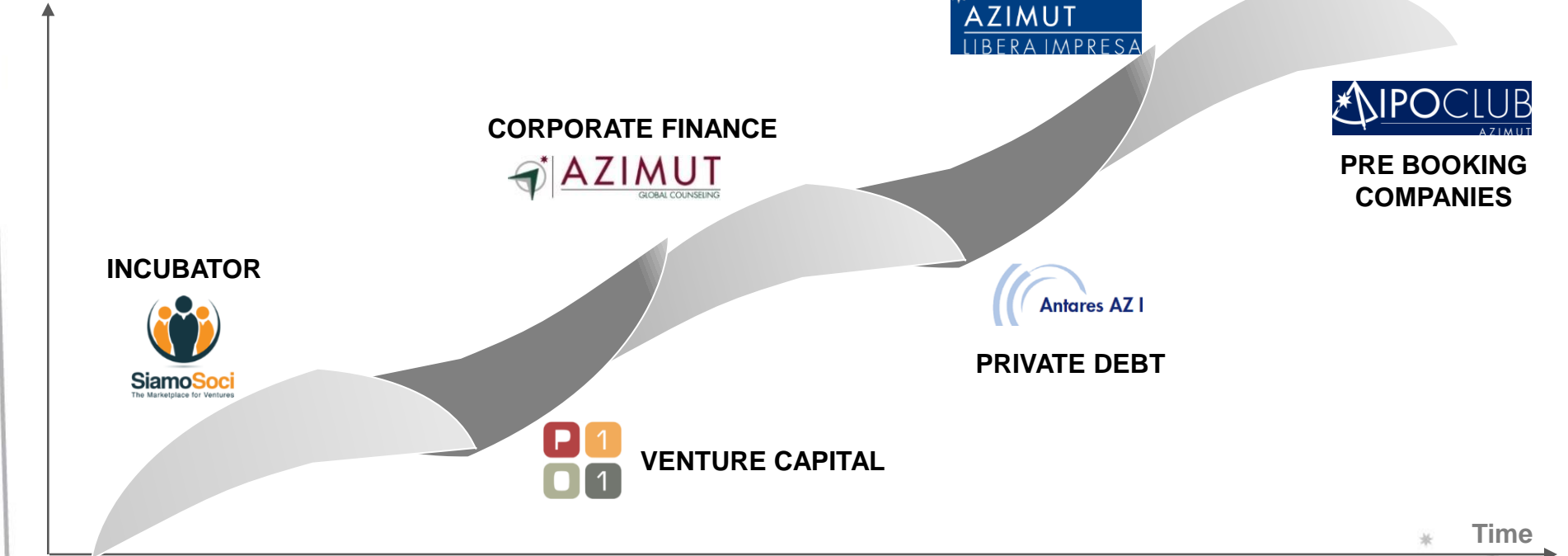


# Azimut and Entrepreneurs

While remaining focused on the core business of asset management, Azimut is enlarging its scope of activities by supporting entrepreneurs and fostering the “Sistema Italia”



Corporate Development



INCUBATOR



SiamoSoci  
The Marketplace for Ventures

CORPORATE FINANCE



PRIVATE EQUITY



PRIVATE DEBT



VENTURE CAPITAL



PRE BOOKING COMPANIES

\* Time

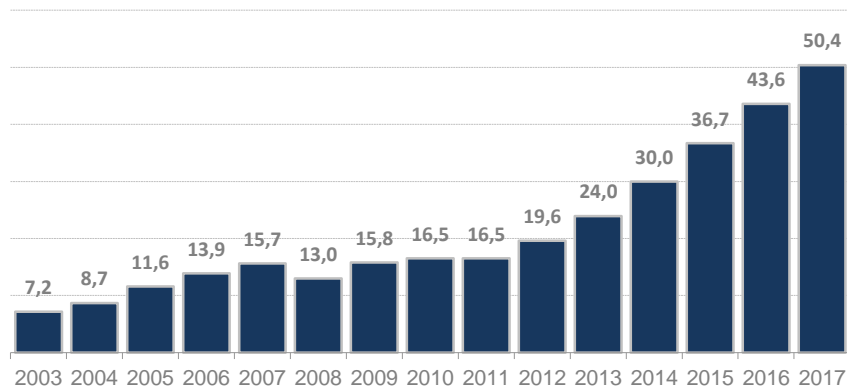


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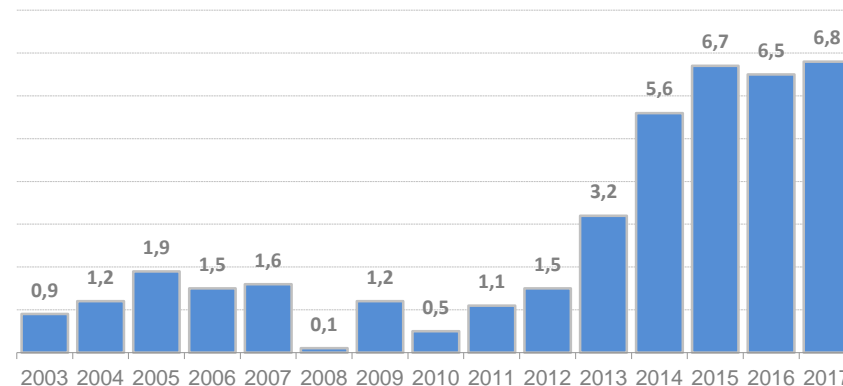
# Strong, consistent growth trends

Continuous growth throughout the decade, notwithstanding turbulent years

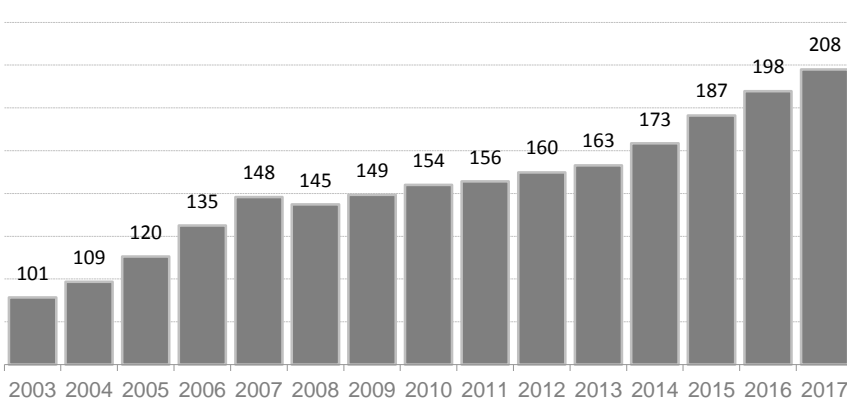
Total Assets (€bn)



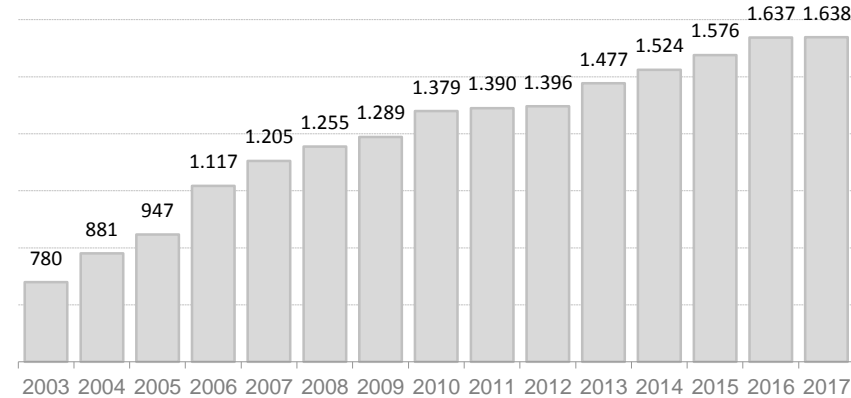
Net Inflows (€bn)



Clients ('000)



Financial Advisors



\*

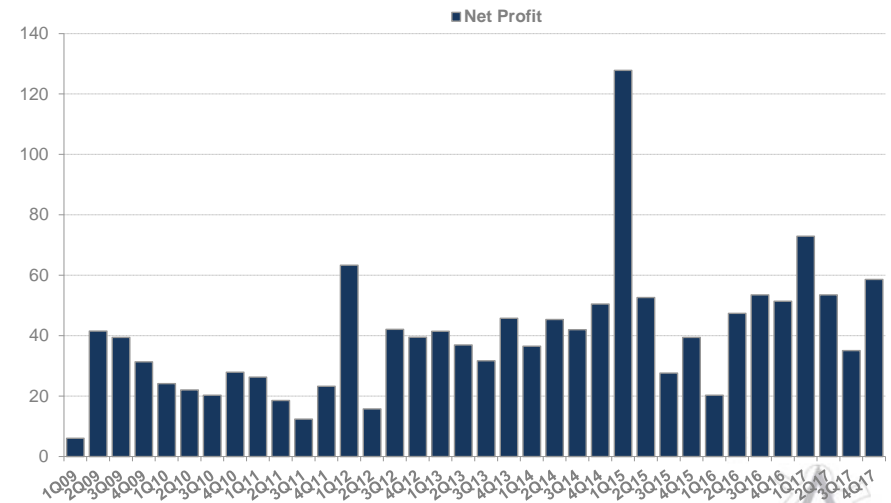
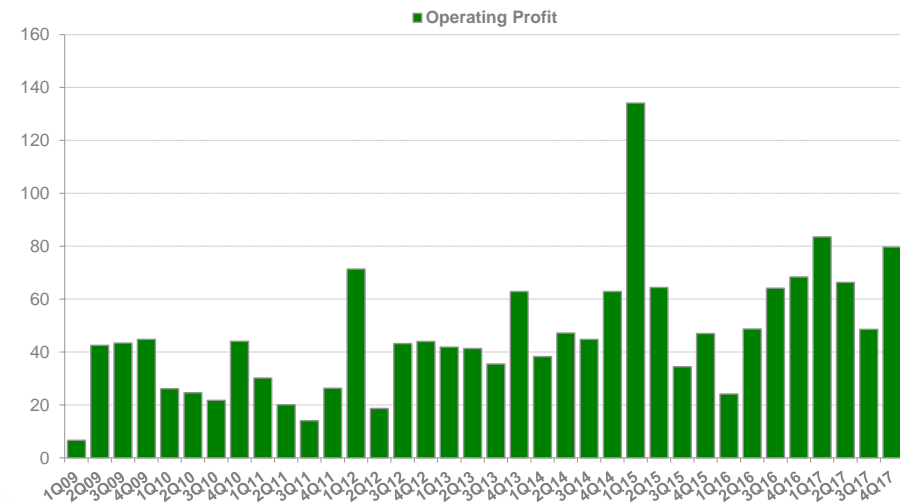
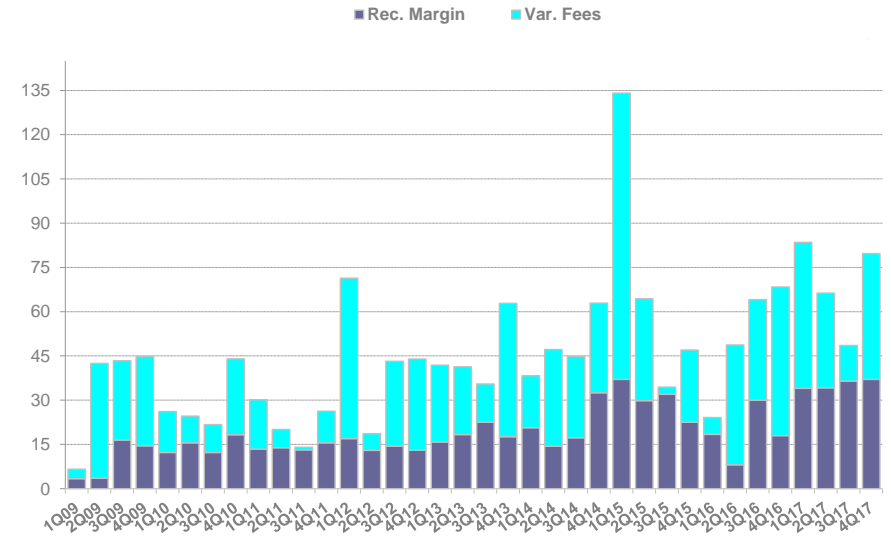
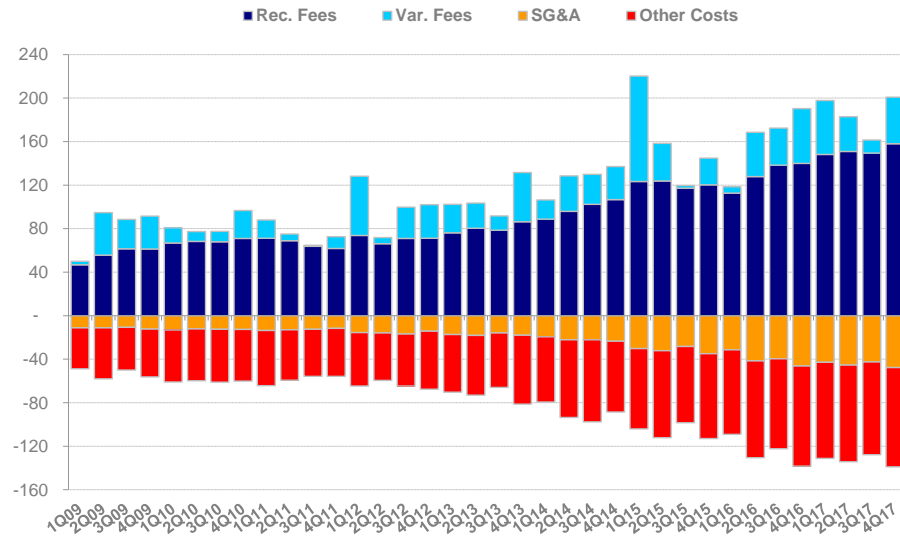


Source: Company data as of 31/12/2017

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# 2009-2017 A beta stock with a strong P&L

## Solid financial performance (€mIn)



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# Contacts & Corporate calendar

## Investor Relations Contacts

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Website: [www.azimut-group.com](http://www.azimut-group.com)

## Upcoming events

- 24 April 2018: Annual General Meeting
- 10 May 2018: Board of Directors approval of 1Q 2018 Results
- 26 July 2018: Board of Directors approval of 1H 2018 Results

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