

## Azimut Holding, FY 2017 results Second best FY Net Profit in the Group's history

### In the FY 2017:

- **Consolidated normalized net profit<sup>(1)</sup>: € 220 million (+27% vs. FY 2016)**
- **Consolidated total revenues: € 811 million (+15% vs. FY 2016)**

### In the 4Q 2017:

- **Consolidated net profit: € 59 million (+14% vs. 4Q 2016)**
- **Consolidated total revenues: € 219 million (+6% vs. 4Q 2016)**

**Total Assets: € 50.4 billion (+16% vs. end 2016)**

**Net Inflows: € 6.8 billion (+4% vs. 2016)**

**Proposed Dividend Per Share: € 2.00\*** (€ 1.00 in 2016), **equivalent to a 119% Payout<sup>(2)</sup>**

*Milan, 8<sup>th</sup> March 2018*

Azimut Holding's (AZM.IM) Board of Directors approved today the FY 2017 results ending December 31, 2017, highlighting the following:

- **Consolidated Revenues** in 2017 of **€ 810.5 million** (vs. € 705.7 million in 2016)
- **Consolidated Operating Profit** in 2017 of **€ 278.1 million** (vs. € 205.3 million in 2016)
- **Consolidated Net Profit** in 2017 of **€ 214.8 million** (vs. € 172.7 million in 2016)
- **Normalized Net Profit<sup>(1)</sup>** in 2017 of **€ 220.1 million** (vs. € 172.7 million in 2016)

In **2017 Total Assets** including assets under custody and third parties' funds reached **€ 50.4 billion, +16% vs. end-2016**, (internally managed assets stood at € 40.2 billion).

**Net Financial Position** as of December 31, 2017 is **positive for € 134.9 million**, improving compared to the € 34.8 million as of June 2017 (decreasing vs. € 192.2 million as of December 2016). In 2017 the company paid around € 133 million ordinary dividends, made acquisitions abroad for ca. € 32 million and on June 30<sup>th</sup> partly repaid the Senior Loan for an amount of € 10 million. Furthermore, the NFP also includes ca. € 70 million of share buybacks executed in 2017.

**Recruitment of financial advisors and private bankers** in Italy remained positive: **during 2017** Azimut and its networks recorded **94 new hires**, bringing the total number of FAs to **1638**.

The Board shall propose to the AGM, which will be called on 24 April 2018, the distribution of a **dividend per share of €2.00 (equivalent to a payout of 119%<sup>(2)</sup>)** gross of tax (vs. €1.00 per share in 2016). The €2.00 dividend will be paid 50% in cash and 50% in existing treasury shares. Therefore, every shareholder will receive (gross of tax), €1.00 in cash (ex-dividend date is 21<sup>st</sup> May 2018, record date 22<sup>nd</sup> May 2018 and payment date 23<sup>rd</sup> May 2018), in addition to the distribution of treasury shares equal to 1 ordinary share every 18 shares held (for a total of 7,246,290 shares). The abovementioned shares (all held by the company as treasury shares) will be assigned after the ex-dividend date. Any rights to fractions of assigned shares will be paid in cash on the basis of the official price of the shares on the trading day prior to the ex dividend date without charging any expenses, fees or other costs to the shareholders. Based on the 7<sup>th</sup> March 2018 closing price, the total dividend corresponds to ca. €2.00 per share.

Net profit of the parent company Azimut Holding SpA in 2017 is of € 208.8 million, increasing vs. € 161.9 million reported in 2016.

Sergio Albarelli, Azimut's CEO, commented: *"We are proud to present the second best Net Profit figure in the Group's history. This remarkable result has been achieved thanks to the daily efforts of all our colleagues and partners, combined with an effective cost control and a significant improvement in profitability. Given these strong results, we will propose to the AGM a **dividend of 2 euro per share**. This translates into the highest yield amongst FTSE MIB companies and is equivalent to a **payout of more than 100%**. These values are even more relevant considering they've been achieved by an **Italian growth company**."*

*\* Subject to AGM approval*

*Note (1): normalized for ca. €5.3mln of extraordinary costs related to the convertible bond buyback in the 2Q17.*

*Note (2): Based on a normalized Net Profit of €220mln*

*The Officer in charge of the preparation of Azimut Holding SpA accounting documents, Alessandro Zambotti (CFO), declares according to art.154bis co.2 D.lgs. 58/98, that the financial information herein included, corresponds to the records in the company's books.*

*The attached statements are those foreseen by current regulations: income statement, balance sheet and cash flow statement. With reference to these figures, we remind that the auditors have not yet completed their activity, whereas no audit has to be carried out on reclassified income statement (Art. IA.2.9.3 co.5 from Instruction of the Market rules by the Italian Stock Exchange).*

**Azimut** is Italy's leading independent asset manager (active since 1989). The Parent Company Azimut Holding was listed on the Italian stock exchange on 7 July 2004 (AZIM.MI) and, among others, is a member of the main Italian index FTSE MIB and of the Eurostoxx 600. The shareholder structure includes over 1,700 managers, employees and financial advisors, bound by a shareholders' agreement that controls over 15% of the company. The remaining is free float. The Group comprises various companies active in the sale, management and distribution of financial and insurance products, with Registered Offices in Italy, Luxembourg, Ireland, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Brazil, Singapore, Mexico, Australia, Chile, USA, UAE, Iran and Turkey. In Italy, Azimut Capital Management SGR sells and manages Italian mutual funds, Italian alternative investment funds, as well as being active in the discretionary management of individual investment portfolios. Furthermore, Azimut Capital Management SGR, following the demerger by incorporation of Azimut Consulenza SIM, distributes Group and third party products in Italy via a network of financial advisors while Azimut Global Counseling provides consulting services. Overseas main operations are AZ Fund Management SA (founded in Luxembourg in 1999), which manages the multi strategy funds AZ Fund 1 and AZ Multi Asset and the Irish AZ Life DAC, which offers life insurance products.

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## CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Data in €/000)	2017	2016
Acquisition fees and commissions	10,247	9,826
Recurring fees	606,598	518,866
Variable commissions	136,379	130,770
Other income	8,456	7,611
Insurance revenues	48,864	38,575
<b>Total revenues</b>	<b>810,544</b>	<b>705,648</b>
Commission expense	(337,456)	(325,436)
General overheads/Administrative expenses	(178,534)	(158,984)
Depreciation, amortisation/provisions	(16,465)	(15,920)
<b>Total costs</b>	<b>(532,455)</b>	<b>(500,340)</b>
<b>Operating income</b>	<b>278,089</b>	<b>205,308</b>
Profits from financial operations	(13,057)	(3,033)
Net Non operating costs	(8,114)	(6,323)
Interest expense	(9,646)	(11,063)
<b>Profit Before Taxation</b>	<b>247,272</b>	<b>184,889</b>
Income taxation	(22,854)	(19,281)
Deferred taxation	1,491	11,696
<b>Net Profit</b>	<b>225,909</b>	<b>177,304</b>
Minorities	11,123	4,619
<b>Consolidated Net Profit</b>	<b>214,786</b>	<b>172,685</b>

## CONSOLIDATED NET FINANCIAL POSITION

Data in €/000	31/12/2017	30/06/2017	31/12/2016
Due to banks	(10,000)	(10,000)	(20,051)
Securities issued	(353,816)	(350,125)	(226,522)
<b>Total debt</b>	<b>(363,816)</b>	<b>(360,125)</b>	<b>(246,573)</b>
Cash and cash equivalents	498,687	394,919	438,832
<b>Net Financial Position</b>	<b>134,871</b>	<b>34,794</b>	<b>192,259</b>

## CONSOLIDATED INCOME STATEMENT

(Data in €/000)	2017	2016
Commission income	774,331	675,633
Commission expense	(311,345)	(293,897)
<b>Net Commissions</b>	<b>462,986</b>	<b>381,736</b>
Dividends and equivalents	258	257
Interest income and equivalents	1,071	1,509
Interest expenses and equivalents	(10,725)	(11,723)
Profit/losses from the sale of:	(9,721)	1,733
<i>a) financial assets available for sale</i>	<i>(1,804)</i>	<i>1,739</i>
<i>b) financial liabilities</i>	<i>(7,917)</i>	<i>(6)</i>
Net result of financial assets and liabilities at fair value	(4,421)	(4,851)
Insurance net premium income	3,531	2,618
Net income (loss) from financial assets at fair value entered on the P&L account	184,679	132,815
Change in technical provisions when the investment risk is borne by the insured parties	23,467	29,885
Surrenders and claims	(172,924)	(134,445)
<b>Net Margin</b>	<b>478,201</b>	<b>399,533</b>
Administrative expenses	(210,557)	(192,513)
<i>a) personnel expenses</i>	<i>(83,255)</i>	<i>(72,485)</i>
<i>b) other expenses</i>	<i>(127,302)</i>	<i>(120,028)</i>
Value net adjustments on tangible assets	(2,414)	(2,508)
Value net adjustments on intangible assets	(13,444)	(13,655)
Provisions for risks and charges	(6,383)	(5,844)
Other administrative income and expenses	1,877	564
<b>Gross operating profit</b>	<b>247,280</b>	<b>185,578</b>
Profit (loss) on equity investments	(8)	(689)
<b>Profit (Loss) before tax</b>	<b>247,272</b>	<b>184,889</b>
Income tax	(21,363)	(7,586)
<b>Net profit (Loss)</b>	<b>225,909</b>	<b>177,304</b>
Minorities	11,123	4,619
<b>Consolidated net profit (loss)</b>	<b>214,786</b>	<b>172,685</b>

## CONSOLIDATED BALANCE SHEET

ASSETS (data in €/000)	31/12/2017	31/12/2016
Cash and cash equivalents	28	21
Financial assets at fair value	6,700,283	6,447,427
Financial assets available for sale	286,957	276,963
Credits	263,790	189,305
Equity investments	1,343	935
Tangible assets	8,103	7,219
Intangible assets	557,410	517,315
Tax assets	80,219	78,976
<i>a) current</i>	29,560	32,905
<i>b) prepaid</i>	50,659	46,071
Other assets	208,474	209,115
<b>Total Assets</b>	<b>8,106,607</b>	<b>7,727,276</b>

LIABILITIES (Data in €/000)	31/12/2017	31/12/2016
Debts	20,253	28,283
Bonds issued	353,816	226,522
Technical provisions when the investment risk is borne by the insured parties	227,857	250,974
Other technical provisions	-	350
Financial liabilities at fair value	6,605,461	6,299,036
Tax liabilities	68,151	59,401
<i>a) current</i>	6,462	1,443
<i>b) deferred</i>	61,689	57,958
Other liabilities	180,539	182,975
Employee severance indemnities	2,965	3,403
Provision for risks and charges	35,377	31,265
<i>b) other</i>	35,377	31,265
Capital	32,324	32,324
Treasury shares (-)	(130,028)	(81,288)
Capital instruments	36,000	70,951
Share premium reserve	173,987	173,987
Reserves	279,069	263,107
Valuation provisions	(13,542)	(4,674)
Profit (Loss) for the period	214,786	172,685
Equity attributable to minority interests	19,592	17,975
<b>Total liabilities and shareholders equity</b>	<b>8,106,607</b>	<b>7,727,276</b>

## AZIMUT HOLDING SPA – Income statement

(Data in €/000)	2017	2016
Commission income	2,000	2,000
<b>Net Commissions</b>	<b>2,000</b>	<b>2,000</b>
Dividends and Equivalents	240,454	187,869
Interest income and equivalents	86	190
Interest expenses and equivalents	(10,046)	(11,163)
Profit/losses from the sale of:	(8,926)	102
<i>a) financial assets available for sale</i>	(1,009)	108
<i>b) financial liabilities</i>	(7,917)	(6)
<b>Net Margin</b>	<b>223,567</b>	<b>178,999</b>
Administrative expenses	(21,990)	(19,881)
<i>a) personnel expenses</i>	(9,263)	(9,022)
<i>b) other expenses</i>	(12,726)	(10,858)
Value net adjustments on tangible assets	(326)	(346)
Value net adjustments on intangible assets	(653)	(638)
Provisions for risks and charges	(120)	(30)
Other administrative income and expenses	1,218	1,757
<b>Gross operating profit</b>	<b>201,696</b>	<b>159,861</b>
<b>Profit (Loss) before tax</b>	<b>201,696</b>	<b>159,861</b>
Income tax	7,146	2,082
<b>Net profit (Loss)</b>	<b>208,842</b>	<b>161,943</b>
<b>Consolidated net profit (loss)</b>	<b>208,842</b>	<b>161,943</b>

## AZIMUT HOLDING SPA – Balance Sheet

ASSETS (Data in €/000)	31/12/2017	31/12/2016
Cash and cash equivalents	7	6
Financial assets available for sale	183,900	174,789
Credits	30,894	15,902
<i>b) other</i>	30,894	15,902
Equity investments	623,656	552,673
Tangible assets	561	814
Intangible assets	185,557	186,082
Tax assets	31,206	29,337
a) current	171	781
b) prepaid	31,035	28,556
Other assets	38,699	16,420
<b>Total Assets</b>	<b>1,094,481</b>	<b>976,023</b>

LIABILITIES (Data in €/000)	31/12/2017	31/12/2016
Debts	11,962	88,657
Bonds issued	353,816	226,522
Tax liabilities	54,393	53,921
a) current	1,180	0
b) deferred	53,212	53,921
Other liabilities	98,390	6,759
Employees' severance	722	1,122
Provisions for risks and charges	150	30
b) other funds	150	30
Capital	32,324	32,324
Treasury shares (-)	-130,028	-81,288
Capital instruments	36,000	70,950
Share premium reserve	173,987	173,987
Reserves	253,241	241,104
Reserve from measurement of financial instruments	682	-7
Net Profit (loss)	208,842	161,943
<b>Total Liabilities and net shareholders' equity</b>	<b>1,094,481</b>	<b>976,023</b>

## Consolidated Cash Flow statement

(Data in €/000)	2017	2016
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Operating activities</b>	<b>280,794</b>	<b>134,755</b>
- net income for the period (+/-)	214,786	172,685
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value (-/+)	28,548	(58,942)
- value net adjustments on tangible and intangible assets (+/-)	15,858	16,163
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	6,383	5,844
- taxes (+)	10,443	(1,702)
- other adjustments (+/-)	4,776	707
<b>2. Cash flow from financial assets</b>	<b>(295,832)</b>	<b>(787,765)</b>
- financial assets at fair value	(276,983)	(730,163)
- financial assets held for sale	(10,609)	(3,052)
- receivables from banks	(427)	(1,225)
- receivables from other financial institutions	(141)	1,056
- receivables from clients	(11,491)	(3,716)
- other assets	3,819	(50,665)
<b>3. Cash flow from financial liabilities</b>	<b>379,812</b>	<b>839,055</b>
- due to banks	(10,584)	(6,625)
- due to other financial institutions	344	(8)
- due to clients	298	(27)
- securities issued	122,467	4,679
- financial liabilities at fair value	302,004	859,173
- technical reserves	(23,467)	(29,885)
- other liabilities	(11,250)	11,748
<b>Total net operating cash flow generated/absorbed</b>	<b>364,774</b>	<b>186,045</b>
<b>B. INVESTMENT ACTIVITIES</b>		
<b>1. Cash flow generated by</b>	<b>0</b>	<b>0</b>
<b>2. Cash flow absorbed by</b>	<b>(57,254)</b>	<b>(80,593)</b>
- acquisition of equity investments	(417)	(821)
- acquisition of tangible assets	(3,298)	(3,528)
- acquisition of intangible assets	(15,653)	(16,069)
- acquisition of controlled entities	(37,886)	(60,175)
<b>Total net cash flow generated/absorbed from investment activities</b>	<b>(57,254)</b>	<b>(80,593)</b>
<b>C. FINANCING ACTIVITIES</b>		
- issue/sale of treasury shares	(69,713)	(1,791)
- other reserves	13,764	(21,564)
- capital and third party reserves	1,617	7,627
- issue/sale of capital instruments	(34,951)	-508
- dividends paid and others	(158,383)	(238,599)
<b>Total net cash flow generated/absorbed from financing activities</b>	<b>(247,666)</b>	<b>(254,835)</b>
<b>Total net cash flow generated/absorbed during the period</b>	<b>59,854</b>	<b>(149,383)</b>
<b>RECONCILIATION</b>		
	<b>2017</b>	<b>2016</b>
Opening cash and cash equivalents	438,832	588,215
Cash flow generated/absorbed during the period	59,854	(149,383)
Closing cash and cash equivalents	498,687	438,832