

ANIMA

Sector: Asset mgmt

OUTPERFORM

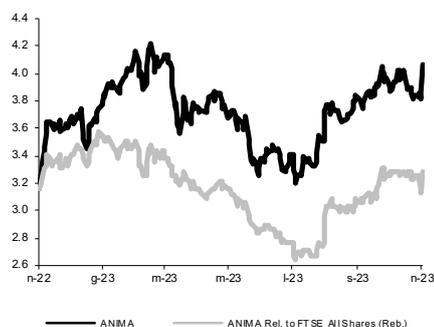
Price: Eu4.07 - Target: Eu4.60

Steady Trends in 3Q, Poised to Benefit from Possible Drop in Yields

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 4.30 to 4.60		
	2023E	2024E	2025E
Chg in Adj EPS	0.0%	3.1%	2.0%

ANIMA - 12M Performance



Stock Data			
Reuters code:	ANIM.MI		
Bloomberg code:	ANIM IM		
Performance	1M	3M	12M
Absolute	4.3%	8.2%	28.9%
Relative	0.1%	8.8%	4.7%
12M (H/L)	4.22/3.20		
3M Average Volume (th):	658.08		

Shareholder Data	
No. of Ord shares (mn):	330
Total no. of shares (mn):	321
Mkt Cap Ord (Eu mn):	1,342
Total Mkt Cap (Eu mn):	1,342
Mkt Float - Ord (Eu mn):	724
Mkt Float (in %):	53.9%
Main Shareholder:	
Banco BPM	21.7%

Balance Sheet Data	
Book Value (Eu mn):	1,566
BVPS (Eu):	4.71

■ 3Q23 revenues and net profit in line with our estimates, EBITDA slightly higher. In detail:

- Revenues came in at €86mn (+5% YoY; +6% QoQ) in line with our estimate. Performance fees were €1.4m vs. €1.0m in 3Q22, management fees came to €75mn (+3% YoY; +5% QoQ) with broadly flat margins on higher AuM, partly thanks to ~€4bn of additional AuM from the Castello consolidation.
- Operating costs came to €25mn (+16% YoY; +4% QoQ) with some signs of inflationary pressure in advertising costs and personnel expenses in a tough quarter for inflows. The cost/income ratio was higher than the historical average at 28%, but down from 29% in the 2Q23.
- EBITDA was €62mn (+1% YoY; +7% QoQ) slightly better than our estimate thanks mainly to the Castello consolidation.
- Net profit rose 22% YoY to €33mn, in line with our estimates. Adjusted net profit came to €43mn (+17% YoY; +9% QoQ).

■ **Conference call indications.** Net inflows were weak in October, mostly following a repositioning towards fixed income, with outflows for flexible funds due largely to a decreasing wrap trend resulting from a lower or zero equity component within new target date funds. Some €3bn (out of €16.7bn wraps) is potentially exposed to this effect if the trend persists throughout 2025. PACs kept equity inflows in positive ground. Management fees are expected to remain stable, while performance fees are soft, but a few millions are expected on benchmark funds in 4Q, with the possibility of a higher contribution in the event of a sharp drop in interest rates. Operating costs rose 16% YoY with some evidence of inflationary pressure, mainly in advertising costs and personnel expenses: Anima confirmed its intention to retain cost discipline in the future. Management will provide more details on Castello and the alternative AM strategy in the coming quarters. Anima expected to continue to deliver double-digit FCF yields and retain a supportive capital management strategy, paying out 50% of distributable income + further buyback plans aimed at cancelling shares and/or M&A, but there is nothing on the table on this front at present.

■ **OUTPERFORM, target from €4.3 to €4.6.** Our estimates remain broadly unchanged, while we are lowering net inflows for 2023 awaiting more visibility on future trends. Anima had a hard time as interest rates rose, given its lack of exposure to NII, and suffered net inflow headwinds and a very low contribution from performance fees. A more supportive macro scenario with stable / declining interest rates could provide a boost for the company's operating performance and valuation, in our view. In a scenario of lower pressure from interest rates we would expect distributor banks to refocus on commissions, and therefore on asset management products, and Anima could well benefit from a deserved re-rating. OUTPERFORM rating confirmed; target raised to €4.6 from €4.3, factoring in a rollover of our DCF model (despite a higher risk-free rate) and future share cancellations from the recently completed buyback.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Commissions Income (Eu mn)	437	306	298	322	337
Total Income (Eu mn)	475	343	338	363	379
Net Operating Profit (Eu mn)	329	196	187	208	220
Net Profit Adj (Eu mn)	258	155	159	173	183
EPS New Adj (Eu)	0.700	0.445	0.477	0.542	0.571
EPS Old Adj (Eu)	0.700	0.445	0.477	0.526	0.559
DPS (Eu)	0.280	0.220	0.230	0.250	0.260
Market Cap/F.U.M.	0.7%	0.7%	0.7%	0.7%	0.7%
P/E Adj	5.8	9.2	8.5	7.5	7.1
Div. Yield	6.9%	5.4%	5.7%	6.1%	6.4%
ROE	18.2%	10.3%	10.3%	10.8%	11.0%