

# ANIMA

Sector: Asset mgmt

## OUTPERFORM

Price: Eu4.30 - Target: Eu5.30

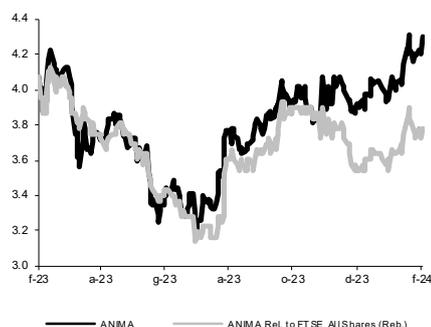
### Supportive Indications from 4Q Results and Outlook

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#### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	from 5.00 to 5.30		
	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Chg in Adj EPS</b>	4.8%	5.6%	4.7%

#### ANIMA - 12M Performance



#### Stock Data

Reuters code:	ANIM.MI
Bloomberg code:	ANIM IM

Performance	1M	3M	12M
Absolute	9.0%	10.6%	5.5%
Relative	6.7%	1.4%	-8.1%
12M (H/L)	4.31/3.20		
3M Average Volume (th):	599.92		

#### Shareholder Data

No. of Ord shares (mn):	318
Total no. of shares (mn):	318
Mkt Cap Ord (Eu mn):	1,367
Total Mkt Cap (Eu mn):	1,367
Mkt Float - Ord (Eu mn):	737
Mkt Float (in %):	53.9%
Main Shareholder:	
Banco BPM	21.7%

#### Balance Sheet Data

Book Value (Eu mn):	1,655
BVPS (Eu):	5.20

■ **4Q23 results boosted by performance fees.** Total revenues were €119mn (+39% YoY / +38% QoQ / +16% vs our expectations). A positive YoY contribution mainly from performance fees (€32mn vs. €9m in 4Q22) and higher recurring commissions at €75mn (+9% YoY / flat QoQ / in line with our estimates) driven by higher AuM. Operating costs at €32mn (+31% YoY / +29% QoQ / +27% vs our estimates) with personnel expenses up 39% YoY due to increase in FTEs, consolidation of Castello SGR, and application of the new banking collective contract (€400k in 4Q o/w €200k one-off). Cost/income ratio at 26.5%, down 156bps YoY, but higher than our 24.1% estimate. EBITDA at €88mn (+42% YoY / +42% QoQ / +12% vs our estimates) with EBITDA margin improving to 74% from 72% in 4Q22 despite an increase in operating costs due to acquisitions and labour costs. Net profit up 55% YoY to €53mn (+25% vs our estimates). Adjusted net profit, excluding extraordinary income/charges and non-cash items, was €63mn (+55% YoY / +47% QoQ / +38% vs our estimates).

■ **Confidence on better net inflow trend and performance fees. Cash generation to continue.** Main messages from conference call: 1) outlook for net inflows remains uncertain, but banking partners are working to resume distribution of AM products. Short-term trends still burdened by unwinding of wrappers but pick-up in retail inflows expected to continue; 2) more than 50% of the funds are above or 2% below HWM and therefore the contribution to results from performance fees should be more structural. Based on the indications provided, January performance fees should amount to €6/7mn; 3) Castello acquisition allows for an expansion of product offering while Kairos is expected to bring expertise on a more sophisticated customer base and Anima is also working on leveraging on the first direct sales network for the company thanks to the Kairos private banking arm with ~20 bankers managing ~€2bn AuM; 4) cost/income ratio expected to increase due to the integration of Kairos, which is currently around break-even when performance fees are included; 5) capital management: the DPS is expected to remain at ~50% of reported net profit. In 2023, Anima also showed very strong cash generation and therefore probable new buybacks followed by cancellations of shares are likely to be part of the shareholder remuneration framework in 2024 and onwards, barring the emergence of major M&A opportunities.

■ **Fully diluted EPS +4.8%/+5.6%.** We have fine-tuned our estimates to include a recovery in management fees as the AuM entry level was a higher contribution from performance, implying a +1.2%/+1.5% increase in our 2024/25 adj. net profit estimates. On top of that, we include the likely cancellation of more than 3% of treasury shares in the coming months, taking the fully diluted EPS increase to +4.8%/5.6%.

■ **OUTPERFORM confirmed, TP up to €5.3.** We expect net inflows revamp to be the main driver for a stock re-rating. However, we think cashflow generation has proven strong and resilient even during a tough market with an FCF yield well above 10%. We therefore confirm our positive view on the stock: TP €5.3 (from €5.0) based on our DCF model. At target, the stock would be trading at 9.5x/8.9x P/E '24/'25.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Commissions Income (Eu mn)	306	325	349	362	372
Total Income (Eu mn)	343	368	392	407	418
Net Operating Profit (Eu mn)	196	214	222	234	241
Net Profit Adj (Eu mn)	155	185	182	194	200
EPS New Adj (Eu)	0.445	0.581	0.574	0.614	0.633
EPS Old Adj (Eu)	0.445	0.509	0.547	0.581	0.604
DPS (Eu)	0.220	0.250	0.250	0.260	0.260
Market Cap/F.U.M.	0.8%	0.7%	0.7%	0.7%	0.7%
P/E Adj	9.7	7.4	7.5	7.0	6.8
Div. Yield	5.1%	5.8%	5.8%	6.0%	6.0%
ROE	10.3%	11.9%	11.3%	11.5%	11.3%