

ANIMA

Sector: Asset mgmt

OUTPERFORM

Price: Eu4.24 - Target: Eu5.40

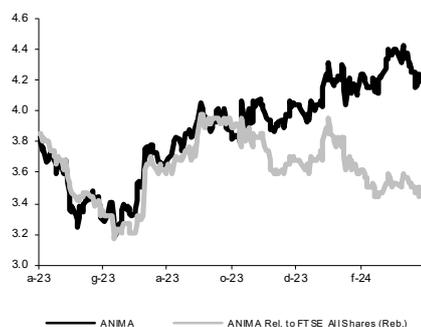
1Q24: Harvesting Time

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 5.30 to 5.40		
	2024E	2025E	2026E
Chg in Adj EPS	6.2%	2.4%	2.4%

Next Event
 Results Out May 6, 2024

ANIMA - 12M Performance



Stock Data			
Reuters code:	ANIM.MI		
Bloomberg code:	ANIM IM		
Performance	1M	3M	12M
Absolute	-3.1%	-0.1%	9.9%
Relative	-1.2%	-11.0%	-9.9%
12M (H/L)	4.43/3.20		
3M Average Volume (th):	574.95		

Shareholder Data	
No. of Ord shares (mn):	318
Total no. of shares (mn):	318
Mkt Cap Ord (Eu mn):	1,347
Total Mkt Cap (Eu mn):	1,347
Mkt Float - Ord (Eu mn):	726
Mkt Float (in %):	53.9%
Main Shareholder:	
Banco BPM	21.7%

Balance Sheet Data	
Book Value (Eu mn):	1,666
BVPS (Eu):	5.24

■ **1Q24 results (due out 6 May 2024) boosted by performance fees.** Operating trends are expected to have been better than in 1Q23, with soft inflows partly mitigated by a positive market effect. For 1Q24 we expect:

- Management fees: €77.4mn, +3.0% QoQ and +11.3% YoY thanks to higher AuM, while the margin on AuM is expected flat or slightly declining YoY; performance fees expected at €29.0mn (vs €0.8mn in 1Q23), confirming the recovery trend started in 4Q23 (€31.5mn) after a very poor contribution in 9M23 (€3.4mn). Anima is well positioned to deliver solid performance fees throughout 2024 if markets remain supportive. Total income expected at €117.2mn, -1.7% QoQ and +44.9% YoY.
- Operating costs expected at €29.0mn, down 8.2% QoQ and +29.8% YoY with the increase mainly related to personnel expenses and cost/income ratio at 24.7%, partly linked to the change in perimeter.
- Operating profit is expected to have come to €73.2mn, with pre-tax profit of €73.8mn, reported net profit of €50.2mn, and adj. net profit of €58.4mn.

■ **Weak inflow data expected to gradually improve in the next months.** Anima recorded net outflows from managed assets hit hard by outflows from funds underlying funds that the company started to disclose monthly from January 2024; in 1Q24, €1.3bn of total outflows were related to these low-margin products. We revise our FY24 estimate from the previous ~€800mn inflows to ~€600mn outflows including the impact of funds underlying funds. However, considering the very low profitability of these funds, positive inflows for retail funds (>€700mn in 1Q24), and positive market effect, we have slightly raised expectations for management fees.

■ **Change in estimates: 2024 adj. net profit +6.2% on higher performance fees.** We are raising our performance fee estimate to €50.2mn to take account of the positive market performance on AuM during the year. For 2024, adj. net profit is now foreseen at €193.7mn vs the previous €182.5mn, while we now forecast €198.9mn for 2025 (+2.4% vs. previous) and €205.1 for 2026 (+2.4% vs. previous).

■ **OUTPERFORM confirmed; TP €5.4 from €5.3.** Anima is expected to have entered 2024 with tailwinds from positive market trends, reaping the benefits of investments in product innovation and the entry to the alternative AM segment through the acquisitions of Castello SGR and Kairos. Attention is still on newsflow regarding the outlook for banking consolidation, but the stock is cheap in any case and generates significant cashflows, thus providing high visibility on cash dividends (guidance payout of ~50% of reported earnings) and a continuation of buybacks while monitoring further M&A opportunities. We believe progressive improvement of inflows will be a positive catalyst for the stock.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Commissions Income (Eu mn)	306	325	367	370	381
Total Income (Eu mn)	343	368	410	415	427
Net Operating Profit (Eu mn)	196	214	239	241	249
Net Profit Adj (Eu mn)	155	185	194	199	205
EPS New Adj (Eu)	0.445	0.581	0.609	0.628	0.648
EPS Old Adj (Eu)	0.445	0.581	0.574	0.614	0.633
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	9.5	7.3	7.0	6.7	6.5
Div. Yield	5.2%	5.9%	5.9%	6.1%	6.1%
ROE	10.3%	11.9%	11.9%	11.6%	11.5%

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

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A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	25.21 %
OUTPERFORM:	46.22 %
NEUTRAL:	27.73 %
UNDERPERFORM	00.84 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (50 in total) is as follows:

BUY:	38.78 %
OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emitente	%	Long/Short

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