

Asset Management Sector

Sector Update

Progression of AuM Inflows Continues Despite August Seasonality

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Italian Equity Market

- **August figures showed resilience amid negative seasonality.** In August our panel (Anima, Azimut, Banca Mediolanum, Banca Generali, FinecoBank), generated aggregate net inflows of €1.8bn into AuM vs. €1.4bn in the same month last year. YTD, AuM inflows were up +43% YoY to €13.1bn. Aggregate inflows into assets under custody were €143mn in August, 88% below the €1.2bn August 2023 figure, while YTD AuC inflows were 33% below the same period of 2023 (€10.7bn YTD vs. €15.8bn in Jan-Aug 2023). Pressure on deposits seems to have definitively eased, with August posting the best inflows this year, continuing the positive 2Q24 trend after a long period of strong outflows in 2023 and 1Q24. On aggregate, August deposit inflows came to €327mn vs. €670mn of outflows in August last year; YTD deposit outflows came down to €122mn vs. €3.9bn in Jan-Aug 2023.
- **Managed asset inflows touch August record for BMED thanks to switch from cash. Solid inflows for Azimut and Fineco. Transitional month for Anima and BGN.** August was another record-breaking month for BMED's net AuM inflows, which came to €753mn thanks to the transformation of cash and administered assets. Azimut reported a solid month thanks to Italy, Brazil and Turkey, while Fineco also reported good figures, with improving deposits and FAM inflows. BGN's figures were affected by seasonality, coming in a touch below expectations. Anima's monthly retail inflows were supportive, but the institutional segment showed softer trends. We also expect a degree of adverse seasonality to affect September figures, but robust August figures were testament to positive underlying trends (*see the following pages for a detailed analysis*).
- **Change in inflow estimates.** Following August data and taking the impact of negative seasonality into account, we are marginally raising our FY24 inflow estimates. For Azimut we are lifting our AuM inflow estimate from €4.5bn to €5.0bn, aligning our forecast to company guidance, while for BMED we are raising it from €6.9bn to €7.3bn thanks to the support provided by the transformation of liquidity arising from expiring term deposits. On the other hand, we are slightly lowering our forecast for Banca Generali from €3.0bn to €2.7bn. After the best month this year, we are bringing our overall FY24 deposit estimate to parity, i.e. we are no longer projecting outflows. We confirm our AuC estimates awaiting more info on mix trends in the coming months. In this sense, we are simply reducing our inflow estimate for FKB by €0.8bn to €6.5bn, projecting more inflows to deposits, which we expect could be converted into AuM.
- **Multiples and investment conclusion.** We remain convinced the sector is quite an appealing proposition: solid underlying industrial trends, strong capital generation and limited capital burdens coupled with reasonable valuations and hefty dividends make most of the stocks in the sector attractive. We retain our preference for BMED, BGN and ANIM; while AZM is trading at very low multiples, it needs to provide more visibility on the planned spin-off in order to overcome investor reluctance.

Italian Asset Management - Sector Multiples

Company name	Price (Eu)	Mkt Cap (Eu mn)	P/E 2024	P/E 2025	P/AuM 2024	P/AuM 2025	P/BV 2024	P/BV 2025	Yield 2024	Yield 2025
Anima	5.2	1,670	7.7x	8.1x	0.8%	0.8%	1.1x	1.0x	5.9%	5.7%
Azimut	21.8	3,162	7.3x	7.2x	3.9%	3.6%	1.7x	1.5x	6.8%	7.0%
Banca Generali	40.2	4,700	11.6x	12.7x	7.5%	7.0%	3.4x	3.2x	6.5%	6.2%
Banca Mediolanum	11.1	8,235	9.0x	9.2x	7.7%	7.2%	2.1x	2.0x	6.7%	6.9%
Fineco	15.6	9,504	15.4x	15.9x	15.0%	13.8%	4.4x	4.1x	4.7%	4.7%
Average		5,454	10.2x	10.6x	7.0%	6.5%	2.5x	2.4x	6.1%	6.1%
Median		4,700	9.0x	9.2x	7.5%	7.0%	2.1x	2.0x	6.5%	6.2%

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- 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)

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