

# Asset Management Sector

Sector Update

## Delivering Improving Inflow Mix

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Italian Equity Market

- **Solid net inflows in May with mix finally shifting towards managed assets.** On aggregate, in May 2024 our panel (Anima, Azimut, Banca Mediolanum, Banca Generali, FinecoBank), generated net inflows into managed assets of €2.0bn vs. €339mn in May 2023. YTD, our panel posted inflows of €6.0bn to managed assets, 17% above the €5.2bn recorded in Jan-May 2023. Aggregate inflows to assets under custody in May were €1.4bn, 31% below the €2.0bn figure for May 2023, while in YTD, AuC inflows were 20% below Jan-May 2023 (€9.0bn YTD vs. €11.2bn in Jan-May 2023). The focus on deposits continued, bearing in mind that in May the subscription phase of the 4th BTP Valore issuance took place, with May inflows showing a continuation of the trend reversal that began in April after several months of outflows in 2023 and 1Q24. On aggregate, May inflows were €79mn vs. €143mn of outflows last year; YTD deposit outflows reached €623mn vs. €2.4bn in Jan-May 2023.
- **Managed assets supported by inflows / market effect.** Despite the last issuance of BTP Valore in early May, trends for inflows were positive across the board. BMED stands out with inflows of more than €0.6bn into AuM, along with Azimut at €0.5bn. We think the tailwinds from positive market trends and the renewed interest in managed products will continue in the coming months.
- **Change in inflow estimates.** Following Jan-May inflow data, we are marginally lifting our estimates for FY24 inflows, which foresee a continuation of the improving trends of the last few months. We have raised our estimates on Anima from €-350mn to €+100mn, on Azimut AuM inflows from €2.4bn to €2.8bn, on BMED from €4.8bn to €5.0bn and confirmed our expectations for BGN and FBK. We expect some bumps in monthly inflow figures but are reassured by recent trends, the support from markets and the lower relative pressure on inflows compared to last year, due to lower outflows from traditional life products, reduced competition from fixed income and the expiry of investments in short-dated bonds that could be diverted towards managed assets.
- **Multiples and investment conclusion.** We think AM sector valuations remain attractive despite positive stock performances YTD thanks to increased visibility on earnings and inflows. This should support a re-rating of sector stocks towards historical levels, considering that our panel is currently trading at a discount of between 15% and 30% vs. the average 10-year 1Y-forward P/E. We think the gap is particularly high for BMED and AZIM, with the latter's equity story, at this point in time, mostly linked to the development of the partial spin-off of the Italian distribution network plan. In our view, BGN is also attractively positioned to deliver good results and well placed on the private banking segment which remains appealing. Fineco is also showing promising indications on inflows, but we think the stock's valuation offers lower upside. Finally, on Anima we expect a renewed focus by banks on distributing managed-asset products to translate into much more favourable inflow conditions, sustained by recent bolt-on acquisitions.

### 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	4.9	1,561	8.1x	7.9x	0.8%	0.8%	1.0x	1.0x	5.6%	5.7%
Azimut	24.5	3,561	8.2x	8.1x	4.5%	4.3%	2.0x	1.8x	6.1%	6.3%
Banca Generali	38.8	4,539	12.3x	12.5x	7.2%	6.8%	3.3x	3.1x	6.0%	6.2%
Banca Mediolanum	10.9	8,144	9.3x	9.3x	7.9%	7.4%	2.1x	2.0x	6.8%	7.1%
Fineco	14.9	9,079	15.3x	15.6x	14.4%	13.2%	4.1x	3.8x	4.8%	4.9%
<b>Average</b>		<b>5,377</b>	<b>10.6x</b>	<b>10.7x</b>	<b>7.0%</b>	<b>6.5%</b>	<b>2.5x</b>	<b>2.3x</b>	<b>5.9%</b>	<b>6.0%</b>
<b>Median</b>		<b>4,539</b>	<b>9.3x</b>	<b>9.3x</b>	<b>7.2%</b>	<b>6.8%</b>	<b>2.1x</b>	<b>2.0x</b>	<b>6.0%</b>	<b>6.2%</b>

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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
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