

# Asset Management Sector

Sector Update

## November Inflows: Another Step towards a Record Earnings Year

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Italian Equity Market

- **November figures were strong for most Italian asset gatherers.** In November, our panel generated aggregate net inflows of €1.4bn into AuM vs. €458mn last year. YTD, AuM inflows more than doubled YoY to €9.0bn. Aggregate November inflows into AuC were €494mn vs €310mn but down YTD (€12.7bn vs. €19.5bn). The recovery of deposit inflows continued: €798mn vs. €772mn last year; YTD deposits strengthened further to €1.1bn vs. a negative €4.7bn in the same period of 2023.
- **Booming inflows and mix for Fineco and BMED. Softer prints for Anima and Azimut.** November's data have highlighted the peculiarities of the asset management companies we cover. We think strong positioning was the main booster for BMED and Fineco inflows, with the first benefitting from the successful business model based on continuous and automatic reallocation of client liquidity into managed products, while for Fineco, falling interest rates are starting to be decisive for the mix. Azimut inflows are reversing a strong trend in previous months, mainly due to some soft trends in international markets. Anima, while continuing to show good retail inflows, is still coping with headwinds from outflows from low-margin products.
- **Changes in inflow estimates.** November data do not lead to major changes to FY24 inflow expectations. We have revised deposit inflows upwards for Fineco (€0.6bn from €0.2bn), confirming strong trends for AuM at €3.9bn. BMED unchanged with a strong year under its belt. Azimut's November data leads to some changes to our mix expectations with AuM now expected at €6.2bn from €6.8bn, while AuC forecasts go up. For Anima, retail inflows are sound but reported inflows are still penalized by outflows from low-margin products, although this trend should improve.
- **Multiples and investment conclusion.** November inflows were strong overall, positive for the sector and confirming a revival of AuM inflows. The focus has been moving towards M&A following the VTO by BAMI on Anima and the other M&A deal involving banks, as well as the AM sector M&A frenzy across Europe. We expect strong earnings momentum in 4Q for BMED, which remains our best pick, also in light of potential positive surprises at dividend level. Fineco has posted a strong performance lately, supported by solid inflows and speculative appeal, although we still expect AM margins to remain under pressure compared to others; the stock looks fairly valued and investors expect an update on capital management with FY24 results. Anima is trading above the BAMI offer price as the scenarios on banking consolidation remain a potential positive catalyst for the stock. Finally, Azimut remains an equity story strongly influenced by the unfolding of the new bank initiative on which Azimut is working; further steps should be taken in the coming months.

**The sector posted a good performance last month and re-rating, trading at 12x 2025 P/E – we expect strong dividends with an average dividend yield at ~6%**

### 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	6.5	2,085	8.5x	9.7x	1.0%	1.0%	1.3x	1.3x	5.0%	4.6%
Azimut	24.6	3,572	8.6x	8.2x	4.4%	4.0%	1.8x	1.7x	5.9%	6.2%
Banca Generali*	44.5	5,200	12.7x	14.1x	8.1%	7.6%	3.8x	3.6x	6.0%	5.6%
Banca Mediolanum	11.3	8,437	8.8x	9.4x	7.7%	7.2%	2.2x	2.0x	6.7%	6.9%
Fineco	16.7	10,213	16.3x	17.4x	15.9%	14.6%	4.6x	4.4x	4.4%	4.4%
<b>Average</b>		<b>5,901</b>	<b>11.0x</b>	<b>11.8x</b>	<b>7.4%</b>	<b>6.9%</b>	<b>2.7x</b>	<b>2.6x</b>	<b>5.6%</b>	<b>5.5%</b>
<b>Median</b>		<b>5,200</b>	<b>8.8x</b>	<b>9.7x</b>	<b>7.7%</b>	<b>7.2%</b>	<b>2.2x</b>	<b>2.0x</b>	<b>5.9%</b>	<b>5.6%</b>

\* Not Covered

Source: Intermonte SIM

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- 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)

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Frequency of research: quarterly.

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UNDERPERFORM	00.00 %
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