

AZIMUT

Sector: Asset mgmt

OUTPERFORM

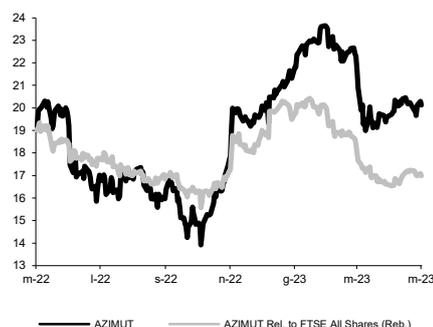
Price: Eu20.13 - Target: Eu27.00

Resilient Operating Trends & Unexpected Tax One-off

Alberto Villa +39-02-77115.431
 alberto.villa@intermonte.it

Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2023E	2024E	2025E
Chg in Adj EPS	2.6%	-1.3%	

AZIMUT - 12M Performance



Stock Data			
Reuters code:	AZMT.MI		
Bloomberg code:	AZM IM		
Performance	1M	3M	12M
Absolute	2.7%	-14.4%	5.9%
Relative	2.3%	-13.6%	-12.6%
12M (H/L)	23.65/13.91		
3M Average Volume (th):	763.50		

Shareholder Data	
No. of Ord shares (mn):	143
Total no. of shares (mn):	143
Mkt Cap Ord (Eu mn):	2,884
Total Mkt Cap (Eu mn):	2,884
Mkt Float - Ord (Eu mn):	2,177
Mkt Float (in %):	75.5%
Main Shareholder:	
Timone Fiduciaria	21.0%

Balance Sheet Data	
Book Value (Eu mn):	2,050
BVPS (Eu):	14.31

- 1Q23 better ex tax one-off but driven by financial income.** 1Q23 was ahead if a negative one-off for Eu26mn is excluded. Management fees at Eu 284.7mn, better than the expected Eu275mn, also factoring the contribution from the change in perimeter mainly related to Australia; performance fees Eu4mn vs exp. Eu3mn; insurance fees Eu29mn, better than exp. Eu25mn; total revenues Eu326mn vs envisaged Eu314.5mn. Operating costs Eu176mn, bang in line. EBIT of Eu149mn vs exp. Eu138.5mn; pre-tax profit of Eu173mn vs exp. Eu139.3mn; net profit of Eu127mn vs exp. Eu104mn (consensus Eu101mn). Net cash of Eu349mn as at end-1Q23.
- Eu26mn tax one-off on for 2016/2021.** In April 2023, Azimut signed a settlement with the Italian Revenue Agency for tax claims relating to certain intercompany transactions for the tax periods from 2016 to 2021 and related to transfer pricing and cost-split methodologies between subsidiaries of the group. Following a tax review of the agreement, Azimut incurred a total one-off charge of Eu26.4mn, including interest, for the 6-year period of 2016/2021. No further charges are expected, and the future normalized tax rate is expected at 22/23%.
- Mixed outlook on inflows and US private markets.** YTD net inflow trends have been solid overall at Eu2.8bn but with very different trends by geography (Brazil weak) and products, with flat trends for funds and positive for private markets. April inflows were weak at Eu270mn. The outlook for US private markets looks quite uncertain at the moment.
- Estimates fine-tuned slightly down. OUTPERFORM confirmed but missing major catalysts for re-rating.** We are making some adjustments to our estimates with a slightly positive revision at adjusted level to factor higher financial income and a lower contribution from variable fees in 2023; EPS for 2024 is basically unchanged. The stock is undoubtedly trading at undemanding multiples at below 8x earnings; nonetheless, we expect the market to remain in wait and see mood until inflows get back on track in some geographies like Italy and there is more visibility on future operating trends. Our DCF-based valuation offers material upside and we therefore confirm our Outperform rating on the stock.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Commissions Income (Eu mn)	1,420	1,248	1,351	1,394	1,476
Total Income (Eu mn)	1,449	1,287	1,389	1,432	1,514
Net Operating Profit (Eu mn)	702	558	577	593	648
Net Profit Adj (Eu mn)	480	331	382	386	416
EPS New Adj (Eu)	3.352	2.312	2.669	2.696	2.904
EPS Old Adj (Eu)	3.352	2.312	2.601	2.730	
DPS (Eu)	1.300	1.300	1.400	1.500	2.500
Market Cap/F.U.M.	5.3%	5.2%	5.0%	4.8%	4.6%
P/E Adj	6.0	8.7	7.5	7.5	6.9
Div. Yield	6.5%	6.5%	7.0%	7.5%	12.4%
ROE	36.2%	19.8%	19.9%	17.7%	17.3%