

AZIMUT

Sector: Asset mgmt

OUTPERFORM

Price: Eu21.14 - Target: Eu27.00

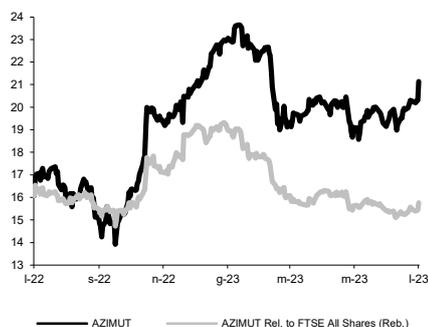
Private Markets, Nova to Sustain Future Inflows

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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2023E	2024E	2025E
Chg in Adj EPS	2.9%	2.4%	3.6%

AZIMUT - 12M Performance



Stock Data

 Reuters code: AZMT.MI
 Bloomberg code: AZM IM

Performance	1M	3M	12M
Absolute	9.8%	4.6%	31.5%
Relative	2.4%	-3.2%	-2.7%
12M (H/L)	23.65/13.91		
3M Average Volume (th):	573.33		

Shareholder Data

No. of Ord shares (mn):	143
Total no. of shares (mn):	143
Mkt Cap Ord (Eu mn):	3,028
Total Mkt Cap (Eu mn):	3,028
Mkt Float - Ord (Eu mn):	2,286
Mkt Float (in %):	75.5%
Main Shareholder:	
Timone Fiduciaria	21.0%

Balance Sheet Data

Book Value (Eu mn):	2,048
BVPS (Eu):	14.29

■ 2Q23 results in line at operating level / higher at bottom line, also thanks to one-offs and other financial items:

- Total revenues at €317mn in line with our exp. / consensus (-2.8% QoQ / -6.5% YoY). Management fees at €286mn (-3% YoY) in line, fulcrum fees negative by €5.5mn. Insurance at €25.8mn vs €28.6mn expected with no performance fees while entry fees were higher than expected at €3.2mn
- Operating costs were €181mn vs expected €180mn
- Operating profit in 2Q was €136mn, in line vs our forecast / cons at €136mn (-8.6% QoQ / -2.8% YoY). Pre-tax profit €148mn, higher than our €139.6mn, mostly thanks to accounting (IFRS17) and financial items
- Net profit of €122mn (exp €99.6mn / cons €99mn) with much lower income and deferred taxes than expected. Adjusted net profit excluding effects related to implementation of IFRS17 was €111mn
- Net cash at €254mn after M&A and investments for €126mn / dividends for €234mn / taxes and other items for €39mn

■ Net profit guidance at €450mn for FY23 confirmed. Private markets, launch of Nova AM and geographical diversification to sustain future growth.

Azimut has confirmed guidance for net profit of €450mn in FY23 and net inflows in the region of €6/8bn. Hitting the targets also depends on external factors linked to the performance of financial markets. However, visibility has increased after 1H23 results; operating trends should improve for insurance and margins remain stable in regard to management fees. As for net inflows, the target remains unchanged at €6/8bn. The indications for the future are: July should see the last outflows by institutional clients from money market funds; 2H23 recruitment outlook should be positive; for private markets, 2H23 inflows expected to replicate 1H at ~€0.7/0.8bn; Brazil expected to stabilize, Australia expected to show positive inflows with stronger seasonality in 2H, Mexico sovereign fund expected to remain positive while China is still a weak spot at the moment.

■ Nova AM progressing, inflows to start in 1Q24. The partnership with Unicredit has move forward through the signing of a binding contract; the licence to operate from Bank of Ireland is expected in 4Q23. Marketing activities and first net inflows are expected in 1Q24 with the prospectus on 12 UCITS funds to be submitted shortly. Net profit for Azimut on managed AuM is fixed remuneration of 50bps. Nova is expected to play a significant role in future inflows depending on the commercial efforts by UniCredit, which appears committed to this initiative.

■ Stock still attractive at current prices: OUTPERFORM, TP Eu27 confirmed. We are slightly lifting estimates on an adjusted basis by ca. 3% and confirm our positive view with a TP of €27 as the stock trades at very undemanding multiples that do not reflect potential value creation from the Nova AM partnership with Unicredit. At target, the stock would be trading at ~10x earnings.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Commissions Income (Eu mn)	1,420	1,248	1,332	1,396	1,503
Total Income (Eu mn)	1,449	1,287	1,367	1,430	1,537
Net Operating Profit (Eu mn)	702	558	573	601	667
Net Profit Adj (Eu mn)	480	331	393	396	431
EPS New Adj (Eu)	3.352	2.312	2.745	2.760	3.007
EPS Old Adj (Eu)	3.352	2.312	2.669	2.696	2.904
DPS (Eu)	1.300	1.300	1.400	1.500	2.500
Market Cap/F.U.M.	5.6%	5.4%	5.2%	5.0%	4.7%
P/E Adj	6.3	9.1	7.7	7.7	7.0
Div. Yield	6.1%	6.1%	6.6%	7.1%	11.8%
ROE	36.2%	19.8%	20.5%	18.1%	17.7%