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**Confidence  
must be earned**

**Amundi**

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Analysts and Investors Presentation | 21 January 2020

# Strategic partnership in Spain and acquisition of Sabadell Asset Management

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# Executive summary

- **Agreement to enter into a 10 year strategic partnership for the distribution of asset management products in Banco Sabadell's network in Spain**
- **Acquisition of 100% of Sabadell AM<sup>1</sup>**, the asset management subsidiary of Banco Sabadell, for an all-cash consideration of €430m<sup>2</sup>
  - Sabadell AM is a reference asset management player in Spain (€22bn of AuM<sup>3</sup>, mostly in retail, ranked #5<sup>4</sup>, ~130 FTEs), which is expected to generate net earnings of ~€34m<sup>1</sup> in 2020),
  - Sabadell AM will remain dedicated to the Banco Sabadell's retail network and will leverage on Amundi's comprehensive capabilities in order to serve better its customers
- **Amundi will benefit from Banco Sabadell's strong regional presence**
- **This transaction will allow Amundi to further consolidate its European leadership position** (significant strengthening of its footprint in Spain), and to deploy its unique business-model aimed at serving retail networks.
- This transaction is subject to usual regulatory approvals, and is expected to close in Q3 2020

1- Excluding Urquijo Gestion, which represents ~€2bn of AuM.

2- Plus an earn-out of up to €30m, payable in 2024, based on future performance of the business    3- At 31/12/2019, excluding Urquijo Gestion and third-party funds

4- On Spanish domiciled funds. Source Inverco

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# Transaction rationale

- **An opportunity to reinforce significantly Amundi's footprint in Spain:**

- A market of ~€600bn of AuM (#4 in the Euro zone<sup>1</sup>), growing fast (11% CAGR between 2013 and June 2019),
- Geared on Retail (~80% of the market) and where distribution of open-ended funds is still dominated by bank networks<sup>2</sup>

**NB:** Amundi has already a sizeable presence in Spain (€21bn of AuM<sup>3</sup>), and would become the 4<sup>th</sup> asset manager in Spain and the #1 non-domestic player

- **A strategic partnership with Banco Sabadell with significant potential:**

- **Leveraging on Banco Sabadell's strong network, a leading bank in Spain (#5 player with an 8% market share<sup>4</sup> and 6% in mutual funds<sup>5</sup>) with a powerful network (~1,900 branches, with presence in high potential provinces)**
- **Secured by a strategic distribution agreement:** Amundi will become the preferred supplier of investment products and solutions (inc. DPM<sup>6</sup> and fund selection) for banco Sabadell

- **The combination of Banco Sabadell's powerful retail network with Amundi's comprehensive range of savings products and solutions is a promising opportunity to enhance investments business in Spain**

- **This transaction would allow Amundi to deploy its unique business-model aimed at serving retail networks, and is consistent with Amundi's strategy:**

- consolidate its leadership in Europe
- develop new partnerships with retail networks
- diversify further its profile in terms of geographies and customers

1- Source Broadridge on open-ended funds. 2- Sources: companies, Bank of Spain, Inverco 3- At 30/09/2019 4- At 30/09/2019; market share on retail banking (deposits, loans...) 5- At 30/09/2019. Source Banco Sabadell 6- Discretionary Portfolio Management

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# Financial impact of the transaction

- **Consideration for 100% of Sabadell AM<sup>1</sup>** is €430m<sup>2</sup>, representing
  - a 2020 P/E multiple of ~13 X without synergies
  - a 2020 P/E multiple of ~9 X including total synergies
- **Synergies identified will be achieved in 3 years, and are mainly driven by revenues enhancement, and by progressive costs optimization** (e.g. integration of Sabadell AM on Amundi IT platform...)
- **The transaction is fully in line with Amundi's financial criteria for acquisitions:**
  - Being immediately accretive to Amundi's EPS
  - Generating a return on investment higher than 10% within three years.
- **The acquisition of Sabadell AM is not conditional on any fund raising, and is being financed exclusively through existing Amundi cash resources**
- **The impact for Amundi will be a decrease of its CET1 ratio by around ~400 bps<sup>3</sup>**
  - Post closing of the transaction, the Amundi's CET1 ratio will remain largely above the minimum regulatory capital requirement<sup>4</sup>

1- Excluding Urquijo Gestion, which represents ~€2bn of AuM.    2- Plus an earn-out of up to €30m, payable in 2024, based on future performance of the business  
3- At closing    4- As a reminder, at 30 June 2019, Amundi's CET 1 ratio was 13.4%

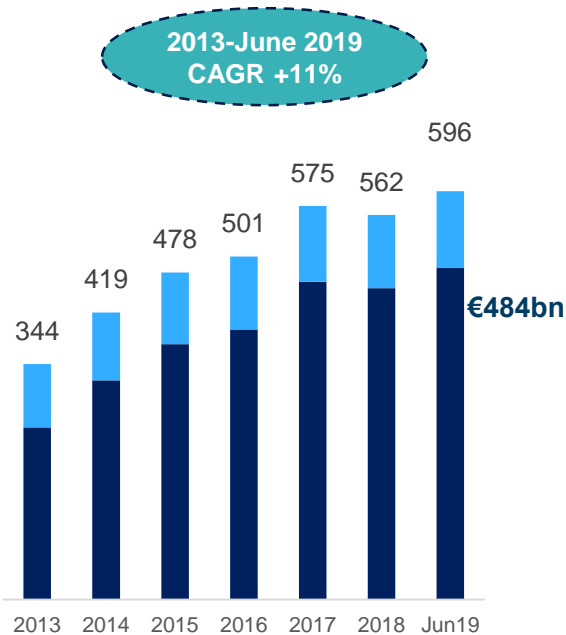
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# Appendix

# The Asset Management market in Spain

A ~€600bn market, mostly geared on Retail (81%), enjoying a significant growth

AuM Spanish market (€bn)



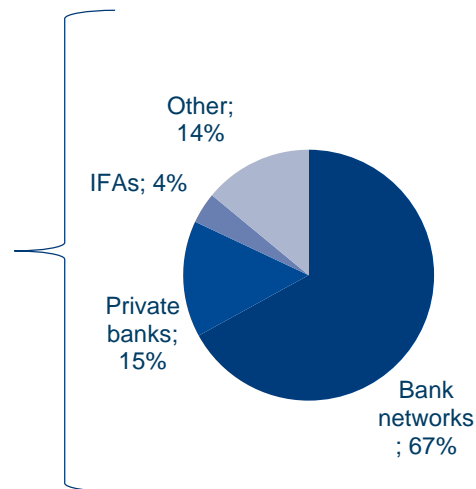
■ Retail / open ended funds\* ■ Institutionnal

\* Funds under Spanish law + funds under foreign law. Sources : Inverco, INDEFI

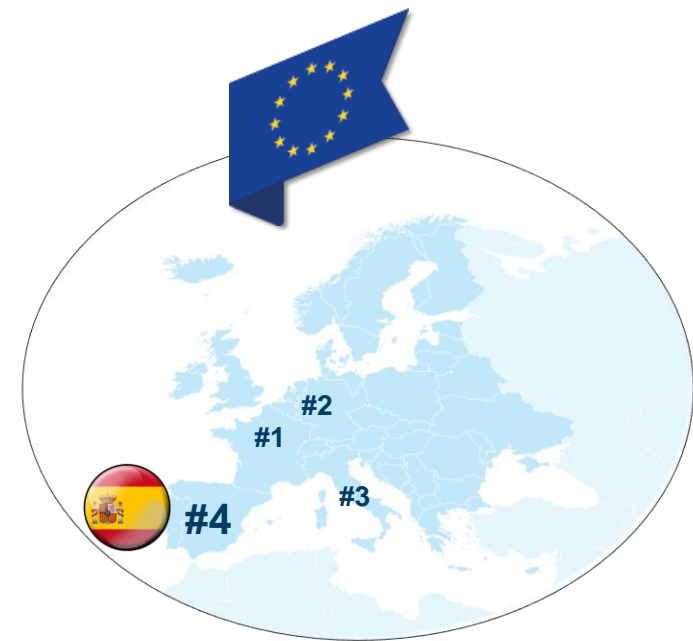
\*\* Source Broadridge on open-ended funds.

Open-ended funds distribution still dominated by Bank networks

Open-ended funds distribution channels June 2019



Ranking of asset management markets in Euro zone\*\*



# Banco Sabadell profile

A reference player in Spain

- #5 bank in Spain
- Key figures<sup>1</sup>:
  - ~1,900 branches
  - 7m customers, of which 5.6m in Retail and 1.4m Corporates and Institutionals
  - Total assets of €156bn and deposits of €101bn (in Spain)

Rank in Spain      Market share<sup>1</sup>

Customer lending

#5

~8%

Customer funds

#5

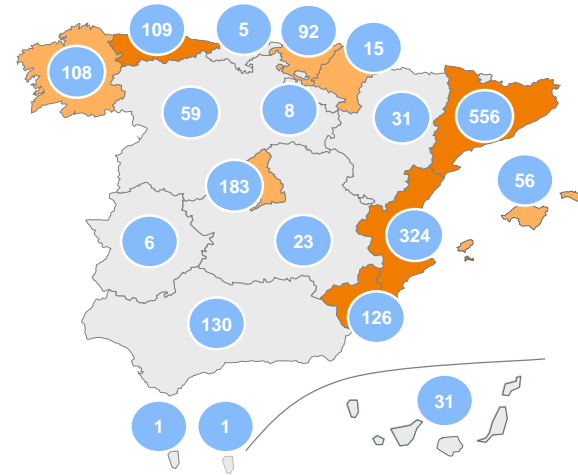
~7%

Mutual funds

#5

~6%

A strong commercial presence<sup>1</sup>: ~1,900 branches



BS market share<sup>1</sup>:      5% - 15%      ≥ 15%

1- Sources : Banco Sabadell, Bank of Spain ; data as of at 30/09/2019

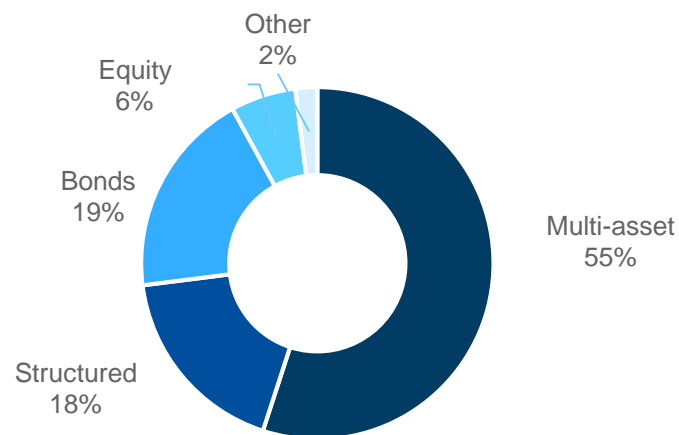
# Banco Sabadell Asset Management profile

## A reference player in Spain

- **#5 asset manager in Spain**, with an estimated market share of 6%<sup>1</sup>
- **Key figures:**
  - AuM of €22bn<sup>2</sup>, of which a majority in Spanish domiciled funds
  - ~ 130 FTEs
  - 2020e estimated net earnings of €34m

## Breakdown of Assets under Management

At 30 June 2019



1- Source: Banco Sabadell 2- At 31/12/2019, excluding Urquijo Gestion and third-party funds



# Contacts and calendar

## Investors & analysts



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## Calendar



**Publication of 2019 annual results:**  
12 February 2020

**Publication of Q1 2020 results:**  
30 April 2020

**AGM for the 2019 financial year**  
12 May 2020

**Publication of H1 2020 results:**  
31 July 2020

**Publication of 9M 2020 results:**  
30 October 2020

## Amundi shares



<b>Tickers</b>	AMUN.PA	AMUN.FP	
<b>Main indexes</b>	SBF 120	FTSE4Good	MSCI

[www.amundi.com](http://www.amundi.com)

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