

Allfunds publishes its 1Q 2023 Trading update

London/Madrid/Amsterdam - Allfunds Group plc (“Allfunds”) (AMS: ALLFG) one of the world’s leading B2B WealthTech platforms for the fund industry, offering fully integrated solutions for both fund houses and distributors, today releases a trading update for the first-quarter period ended 31 March 2023.

Key highlights for the quarter

- Allfunds’ assets under administration (“AuA”) increased by 3.0% or almost €40 billion since 31 December 2022, from €1,296 billion to €1,336 billion:
 - Platform service AuA⁽¹⁾ increased by 3.2% since December as a result of both positive organic net flows of €5.2 billion and positive market performance during this first quarter. This represents the second consecutive quarter of positive flows;
 - Dealing & Execution AuA⁽²⁾ grew by 2.6% since last quarter.
- Platform service AuA increased to €937 billion (3.2% growth) since December 2022, driven by positive equities and fixed income market performance, as well as net flows:
 - Market performance contributed €24 billion in this first quarter, following strong performances in equities and in fixed income and remained positive despite the volatility seen during March;
 - Net flows were positive, representing a 0.6% over beginning of period (BoP) AuA⁽³⁾, as a result of continued strong new client activity which compensated outflows due to market volatility in the last two weeks of the quarter:
 - Flows from existing clients decreased by €2.5 billion, representing a (0.3)% over BoP AuA. These outflows were concentrated in a very identified limited number of clients;
 - Flows from new clients added €7.7 billion, in line with expectations, representing 0.8% of BoP AuA and, on an annualised basis, 3.4% over BoP AuA.
- Dealing & Execution AuA⁽²⁾ increased €10 billion (2.6% growth) during the quarter, again mostly driven by positive market performance.
- Year-on-year, AuA are down 4.9%, from €1,405 billion as of 31 March 2022 to €1,336 billion. This compares to a decrease of 6.3% for the European mutual fund industry⁽⁴⁾.

Focused on delivering on its strategy, Allfunds continues to attract new clients to its WealthTech platform:

- 14 new Distributors onboarded year-to-date, continuing the strong momentum experienced during 2022:
 - 21% coming from competitors;
 - 50% shifting from in-house to outsourced model;
 - 29% new to open-architecture model.
- 26 new Fund Houses onboarded year-to-date. Significant growth in Luxembourg (7), Nordics (6) and Southern Europe (5), reinforcing our competitive position in those markets.

We also won significant new clients in our subscription business. These include a partnership with Unicredit at Allfunds Tech Solutions, which added 30 clients (16% increase year-on-year). Our division Allfunds Data Analytics onboarded 7 new clients (36% increase year-on-year). Allfunds Connect has now an average of more than 9,680 monthly professional users (24% increase year-on-year).

Juan Alcaraz, Chief Executive Officer and Founder, said:

“We are excited about Allfunds’ outlook for 2023. This first quarter has seen our AuAs growing for the first time in a calendar year. More importantly, we keep on seeing a stabilisation around organic flows. Such stabilisation tends to be a leading indicator of a potential recovery. Allfunds’ growth potential is unchanged despite a challenging period, including recent volatility within the banking sector. We continue to have multiples angles for growth thanks to our capacity to diversify the business by service offering, geography, and client type and are actively pushing the revenue diversification of the business and growth of subscription services and products. Additionally, our recent acquisitions, such as MainStreet Partners that we closed in February, have strengthened our value proposition. We remain active in looking for additional opportunities to reinforce our services and accelerate this strategy, alongside winning leading financial institutions and gaining market share on the back of our compelling service offering. The secular growth drivers of the business continue and we are committed to delivering excellent services for our clients and attractive investment returns for our shareholders.”

Figures in EUR bn, unless otherwise stated	1Q 2023	1Q 2022	Change y-o-y (%)	Dec 2022	Change vs Dec 2022 (%)
AuA EoP	1,335.5	1,404.8	(4.9%)	1,296.0	3.0%
Platform service ⁽¹⁾	937.2	996.6	(6.0%)	907.7	3.2%
Dealing & Execution ⁽²⁾	398.3	408.2	(2.4%)	388.3	2.6%
Platform service					
Net flows	5.2	(2.4)			
Flows from existing clients	(2.5)	(12.8)			
Flows from new clients (migrations)	7.7	10.4			
Market performance	24.2	(56.1)			
Net flows as a % of BoP AuA ⁽³⁾	0.6%	(0.4%)			
Net flows as a % annualised of BoP AuA ⁽⁵⁾	2.3%	(1.5%)			
Dealing & Execution					
D&E flows ⁽⁶⁾	10.0	(31.1)			
Net flows + market performance as a % of BoP AuA ⁽⁶⁾	2.6%	n.m.			
Net flows + market performance as a % annualised of BoP AuA ⁽⁷⁾	10.3%	n.m.			

Note: AuA refer to Assets under administration at End of Period (“EoP”) 31 March 2023

- (1) Platform service AuA includes Allfunds standalone, acquisitions of Nordic Fund Market and CS Investlab as well as BNPP Local Paying Agent business
- (2) Only AuA for which we provide Dealing & Execution services
- (3) Calculated as the sum of flows from existing clients and from new clients over Allfunds total AuA only as of beginning of period. For 1Q 2023, beginning of period is considered December 2022 (amounting to €907.7bn)
- (4) Based on European UCITS as of 31 March 2023 (UCITS including Money Market and ETFs but excluding Fund-of-Funds). Source: Morningstar
- (5) Annualised net flows based on net flows in the quarter
- (6) Flows coming from Dealing and Execution portfolio refer to both market performance and flows from existing clients. Percentage calculated as total D&E flows over Dealing & Execution AuA as of beginning of period (for 1Q 2023, considering €388.3bn as of 31 December 2022)
- (7) Annualised D&E flows (including based on net flows and market performance) in the quarter

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Conference call and webcast

At 9.00 CET / 8.00 GMT / 3.00 EST, today, 20 April 2023 Juan Alcaraz, CEO, and Alvaro Perera, CFO, will host a conference call to present the trading update and offer an update on the business outlook. To access to the call, kindly pre-register in the following link:

<https://aiti.capitalaudiohub.com/allfunds/reg.html>

Once you have registered, you will receive an email with your personal credentials: dial-in numbers, conference ID and user ID.

A conference call replay will be available on our website on the same day at www.allfunds.com

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