

Allfunds publishes its 1Q 2024 Trading Update and announces a partnership with Google to drive AI innovation

London/Madrid/Amsterdam - Allfunds Group plc ("Allfunds" or the "Company") (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 2024 and announces a partnership with Google to enhance its capabilities through cloud computing, advanced data and analytics and generative artificial intelligence.

Key highlights of the quarter

- **Strong AuA growth.** Allfunds' total assets under administration ('AuA') increased by 4% since December to €1,433 billion, representing a 7% increase year-on-year.
- **Trends anticipate change of cycle for Allfunds.** Platform business enters a normalisation phase:
 - Key markets, such as Southern Europe, UK, Northern Europe, Middle East and Asia, have all experienced inflows in the quarter (€4.2 billion of inflows in these regions in 1Q);
 - We continue to see positive month-on-month evolution in 1Q, which points to a change in the trend experienced in the last year;
 - In this quarter, clients have invested again in mutual funds for the first time in 2 years;
 - Largest inflows in 1Q occurred in the fixed income asset class (€6.2 billion) vs. money-market as seen throughout 2023, indicating trend towards higher value-added asset classes.
- **Record net revenues in a quarter.** Total net revenues of €153 million, representing a 18% increase year-on-year and 4% quarter-on-quarter.
- **New partnership with Google Cloud**, through which Allfunds will drive AI innovation and infrastructure optimization.

Juan Alcaraz, Chief Executive Officer and Founder, said:

"In 2024, Allfunds' outlook is positively charged. During the first quarter, we are reaching a turning point in flows from existing clients, which hints at an anticipated recovery. We are on the verge of having all of our engines contributing positively and thus, accelerating growth. Our commitment remains unwavering: we are dedicated to serving our clients effectively through our comprehensive and diversified platform, spanning services, geographies, and client types. Additionally, we continue growing our private markets capabilities for end-investors via Allfunds Alternative Solutions, which has increased at a faster pace than our total AuA. We also keep looking for attractive opportunities in the market to reach our mid-term goals. As we continue to drive growth, our focus remains on delivering an outstanding offering to our clients and further executing our strategy through the rest of the year."

Strong start to the year

- Allfunds' AuA increased by 4% (or almost €50 billion) since 31 December 2023, from €1,384 billion to €1,433 billion. This compares to an increase of 2.5% for the European cross-border mutual fund industry⁽¹⁾.
- Allfunds' AuA growth on a year-on-year basis remains strong at 7% (31 March 2023: €1,336 billion), as the pace of net flows has reached an inflection point and they ended flat this quarter, also mitigated by a recurrent pipeline of migrations.
- Platform service AuA⁽²⁾ increased by 10% to €1,028 billion since 1Q 2023 (4% since December 2023), driven by continued positive market performance in the quarter, as well as net flows:
 - Market performance contributed more than €44 billion in this first quarter, following strong performance mainly in equities.
 - Net flows were flat, representing (0.1)% over beginning of period (BoP) AuA⁽³⁾, as a result of continued new client activity which compensated outflows of the quarter:
 - Flows from existing clients decreased by €3.4 billion, representing (0.3)% over BoP AuA. These outflows were concentrated in a very limited identified number of clients and mainly in Central Europe and Italy.
 - Excluding Central Europe, quarterly flows from existing clients were positive for the first time in the last year amounting to €2.7 billion, a strong sign of recovery.
 - Flows from new clients added €2.8 billion, representing 0.3% of BoP AuA and, on an annualised basis, 1.1% over BoP AuA. Expectations for new client migrations on track to deliver guidance for 2024.
- Dealing & Execution AuA increased around €5.7 billion (1.8% growth year-on-year and 1.4% during the quarter), again mostly driven by positive market performance.
- Allfunds Alternatives Solutions continues its successful progress: as of 31 March 2024, it has reached €6bn of AuA in alternatives products distributed to clients across more than 10 key markets.
- Total net revenues of €153 million, representing a 18% increase year-on-year and 4% quarter-on-quarter, with growth across all revenues lines:
 - Platform revenues amounted to €138 million (17% growth since 1Q 2023):
 - Total platform margin increased to 3.9bps (1Q 2023: 3.6bps), while platform service margin (excl. NTI) has remained stable year-on-year;
 - Transaction revenue amounted to €27 million, an increase of 29% from 1Q 2023, indicating a return to normalised transaction activity after 2 years of subdued levels;
 - NTI amounted to €26 million, on the account of higher average cash volumes and higher efficiency of our operations.
 - Subscription revenues increased year-on-year by 23% to €16 million, driven by the successful integration of recent acquisitions, with like-for-like growth in the high-teens vs 1Q 2023 in line with our 2024 guidance.

Strong pipeline

Allfunds' pipeline of new clients remains strong; 27 Distributors have been onboarded in the year-to-date, continuing the momentum established during 2023. Of these year-to-date onboardings, 41% represent onboardings from competitors; 33% have shifted their operations from in-house to outsourced via Allfunds; 26% are newly-benefitting from the open-architecture model.

⁽¹⁾ Cross-border mutual funds defined as Luxembourg or Ireland domiciled open-ended funds registered for sale in more than one country. Source: Morningstar, as of 31 March 2024.

⁽²⁾ Platform service AuA includes Allfunds standalone and platform acquisitions business in the period 2017-2023.

The Company has also observed good year-to-date progress in the onboarding of 22 Fund Houses to the WealthTech platform, contributing to complete the range of fund offering in the platform.

The Company's subscription-based business has also delivered a solid performance in the quarter, with 49 new clients in the period (20% increase year-on-year). Pipeline is stronger year-on-year (30% increase) and very well diversified geographically.

- By business line, the strongest performing areas have been Allfunds Tech Solutions (which has added 10 clients over the period), Investment Solutions and Blockchain.
- The strongest regions have been Iberia, Central and Northern Europe, Middle East and Asia.
- Allfunds Connect has now surpassed the 10,000 monthly professional users milestone, reaching an average of 10,255 monthly professional users in the period (6% increase year-on-year).

Partnership with Google

Allfunds also announces today a partnership with Google Cloud to enhance its capabilities through generative artificial intelligence ('Gen AI'), advanced data and analytics and cloud computing. This partnership will harness Google Cloud's in-house AI capabilities, including Gemini, and aims to deliver transformational solutions for Allfunds' extensive network of Distributors and Fund Houses, on how Allfunds' clients experience data by leveraging the power of Gen AI.

In addition, Allfunds will modernize its infrastructure by accelerating the migration to cloud services, developing a secure, scalable, sustainable technological architecture to boost Allfunds' operational growth. This will bring greater flexibility and agility to scale up and cost-efficiencies to reallocate its IT budget to innovation- and growth-focused initiatives.

Through this partnership, a dedicated Google Cloud team will work in close proximity to Allfunds IT team, to focus on applying generative AI across a number of key business priorities to power exciting new experiences: driving real-time data, strategic decision-making products and innovative services.

Net revenues breakdown

Figures in € million, unless otherwise stated	1Q 2024	1Q 2023	Change Y-o-Y (%)
Net Platform revenues	137.9	117.8	17.1%
o/w Commission revenue	84.4	82.7	2.1%
o/w Transaction revenue	27.4	21.2	29.1%
o/w Net treasury income	26.1	13.9	87.8%
Net Subscription revenues	15.5	12.6	23.4%
Total Net revenues	153.4	130.3	17.7%

AuA breakdown

Figures in € billion, unless otherwise stated	1Q 2024	1Q 2023	Change Y-o-Y (%)	Dec 2023	Change vs Dec 2023 (%)
AuA EoP	1,433.5	1,335.6	7.3%	1,384.1	3.6%
Platform service ⁽¹⁾	1,028.2	937.3	9.7%	984.6	4.4%
Dealing & Execution ⁽²⁾	405.3	398.3	1.8%	399.6	1.4%
Net flows	(0.6)	5.2			
Flows from existing clients	(3.4)	(2.5)			
Flows from new clients (migrations)	2.8	7.7			
Market performance	44.2	24.3			
Net flows as a % of BoP AuA ⁽³⁾	(0.1)%	0.6%			
Net flows as a % annualised of BoP AuA	(0.2)%	2.3%			
D&E flows	5.7	10.0			
Net flows + market performance as a % of BoP AuA ⁽⁴⁾	1.4%	2.6%			
Net flows + market performance as a % annualised of BoP AuA ⁽⁵⁾	5.7%	10.3%			

Note: AuA refer to Assets under administration at End of Period ('EoP'), 31 March or 31 December.

(1) Platform service AuA includes Allfunds standalone and platform acquisitions business in the period 2017-2020.

(2) AuA for which we provide only Dealing & Execution services.

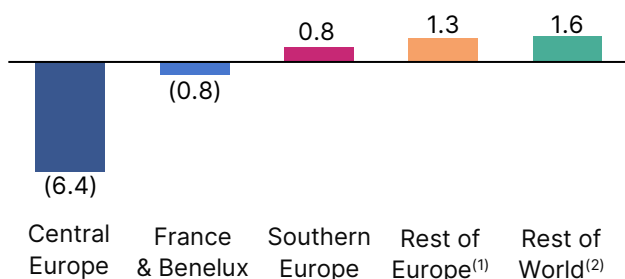
(3) Calculated as the sum of flows from existing clients and from new clients over Allfunds total AuA only as of Beginning of Period ('BoP') (i.e. for 1Q 24, it is 31 December 2023 and for 1Q 23, it is 31 December 2022 amounting to €907.7 billion).

(4) Variation coming from Dealing and Execution portfolio refers to market performance, flows from existing clients and flows from new clients (migrations). Percentage calculated as total D&E variation over Dealing & execution AuA as of Beginning of Period (for 1Q 2023, considering €388.3 billion as of 31 December 2022).

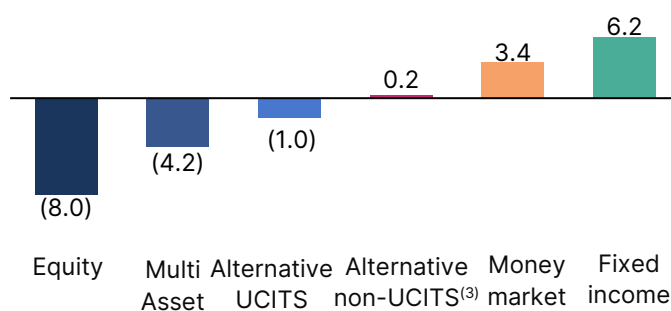
(5) Annualised D&E flows (including based on net flows and market performance) in the quarter.

Flows from existing clients – 1Q breakdown (figures in € billion)

By Region



By Asset class



Note: Breakdown of flows from existing clients from platform service AuA (amounting to €-3.4bn) in 1Q

(1) Rest of Europe considers UK, Northern and Eastern Europe

(2) Rest of the World considers Asia, US, Latin America and Middle East

(3) Flows from existing clients on private capital markets

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Conference call and webcast

At 9.30 BST / 10.30 CET / 4.30 EST, today, 23 April 2024 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://www.netroadshow.com/events/login?show=6cfc1a70&confld=63787>

Once you have registered, you will receive an email with your personal credentials: dial-in numbers, access code and PIN number.

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

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