

19 June 2020

## Press Release

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### **GAM Holding AG: update on first-half 2020 results**

**GAM today provided an update in accordance with the obligations under the listing rules of the SIX Swiss Exchange (article 53), in relation to the Group's expected results for the first half of 2020.**

**This update is as a result of expected impairment charges on intangible assets driven by the impact of Covid-19 on the Group's assets under management.**

The Group expects to recognise non-cash impairment charges of approximately CHF 410 million, net of tax, mainly related to goodwill which was primarily created by the acquisition of GAM by Julius Baer in 2005 and UBS in 1999.

Therefore, the Group expects to report an IFRS net loss for the first half of 2020 of approximately CHF 400 million, compared to the restated CHF 49.7 million net loss in the first half of 2019.

In addition, the Group expects to report an underlying loss before tax of approximately CHF 3 million compared to a CHF 2.1 million profit for the first half of 2019.

GAM is well capitalised with a debt-free balance sheet. The impairment charges do not impact the Group's tangible equity, its cash position or any client related or operational functions.

GAM has continued to see a stabilisation in client flows following the impacts of Covid-19 in the first quarter of 2020. Total assets under management were CHF 118.9 billion<sup>1</sup> as at 31 May 2020, with Investment Management at CHF 36.6 billion and Private Labelling at CHF 82.3 billion, compared to CHF 112.1 billion<sup>1</sup>, (Investment Management CHF 35.7 billion and Private Labelling CHF 76.4 billion) as at 31 March 2020.

GAM will announce its full half year results on 4 August 2020.

**Pete Sanderson, Group CEO, said:** "We continue to see stabilisation with materially lower net asset outflows after the disruption in March caused by Covid, as well as high levels of client engagement and improvements in the investment performance of our funds. We are making good progress in implementing our strategic plan with our focus on the new SimCorp technology platform as well as delivering cost reductions of at least CHF 65 million. Despite the current challenging conditions, GAM's avenues for growth remain robust."

<sup>1</sup> Including CHF 0.3 billion of money market funds, which GAM agreed to sell to ZKB as announced with the H1 2019 results.

## Upcoming events:

**04 August 2020**      **Half-year results 2020**  
**21 October 2020**    **Q3 2020 Interim management statement**

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## About GAM

GAM is a leading independent, pure-play asset manager. The company provides active investment solutions and products for institutions, financial intermediaries and private investors. The core investment business is complemented by private labelling services, which include management company and other support services to third-party asset managers. GAM employed 817 FTEs in 14 countries with investment centres in London, Cambridge, Zurich, Hong Kong, New York, Milan and Lugano as at 31 December 2019. The investment managers are supported by an extensive global distribution network. Headquartered in Zurich, GAM is listed on the SIX Swiss Exchange with the symbol 'GAM'. The Group has AuM of CHF 118.9 billion<sup>1</sup> (USD 123.7 billion) as at 31 May 2020.

## Disclaimer regarding forward-looking statements

This press release by GAM Holding AG ('the Company') includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using words such as 'may', 'will', 'would', 'should', 'expect', 'intend', 'estimate', 'anticipate', 'project', 'believe', 'seek', 'plan', 'predict', 'continue' and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

These forward-looking statements are subject to risks, uncertainties, assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to: changing business or other market conditions, legislative, fiscal and regulatory developments, general economic conditions, and the Company's ability to respond to trends in the financial services industry. Additional factors could cause actual results, performance or achievements to differ materially. The Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this press release and any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.