

# AITi (ALTI)

3Q 2025 EARNINGS

November 13, 2025

**AITi Global, Inc.**

**Third Quarter 2025 Earnings Conference Call**

**November 12, 2025**

## **C O R P O R A T E   P A R T I C I P A N T S**

**Lily Arteaga**, *Head of Investor Relations*

**Michael Tiedemann**, *Chief Executive Officer*

**Mike Harrington**, *Chief Financial Officer*

## **C O N F E R E N C E   C A L L   P A R T I C I P A N T S**

**Wilma Burdis**, *Raymond James*

**Chris Kotowski**, *Oppenheimer & Co.*

## **PRESENTATION**

### **Operator**

Good afternoon. At this time, I would like to welcome everyone to AITi's Third Quarter 2025 Earnings Conference Call.

During the call, your lines will remain in a listen-only mode. After the speakers' remarks, there will be a question-and-answer session.

I would like to advise all parties that this conference call is being recorded, and a replay of the webcast is available on AITi's Investor Relations website.

Now, at this time, I will turn things over to Lily Arteaga, Head of Investor Relations for AITi. Please go ahead.

### **Lily Arteaga**

Good afternoon to everyone on the call today. Joining me are Michael Tiedemann, our CEO; and Mike Harrington, our CFO. We invite you to visit the Investor Relations section of our website to view our earnings materials, including today's presentation.

I would like to remind everyone that certain statements made during this call may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, comments made during the prepared remarks and in response to questions. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied. For a discussion of these risks and uncertainties, please refer to AITi's filings with the SEC, including our most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. AITi assumes no obligation to update any forward-looking statements.

During this call, we may refer to non-GAAP financial measures. Reconciliations to the most comparable GAAP measures can be found in our earnings materials and related filings.

Lastly, please note that the recast financial results referenced in the presentation for the second quarter of 2025 reflect preliminary unaudited statements with respect to such results based solely on currently available information, which is subject to change.

With that, I'll turn the call over to Michael.

### **Michael Tiedemann**

Thank you, Lily, and good afternoon, everyone. The third quarter reflects continued execution of the strategy that we have laid out, focusing the firm on our core wealth management business, simplifying the Organization and reducing structural costs so that earnings scale directly with revenue.

As previously disclosed, we placed our International Real Estate business in administration this quarter. The business has been a drag on margins as discussed in prior calls. The charges associated with placing it in administration will be our final restructuring charges related to it, and the business will no longer take management attention going forward. This results in cleaner financials and bottom line improvements as we move ahead. We also moved to a single reporting segment, which provides cleaner transparency into performance and supports a more direct evaluation of operating leverage.

We continue to operate from a position of strength. Our platform is global, integrated, purpose-built to serve the complex needs of ultra-high net worth families, foundations and endowments. By combining institutional investment capabilities, deep access to alternatives and impacts and the infrastructure of a multifamily office, we deliver seamless solutions to teams across nine countries and 19 cities.

Our business remains anchored in long-duration advisory and OCIO relationships with ultra-high net worth families since 2021, having approximately 96% client retention with an average tenure of 10 years and an average AUM per client above \$50 million. These long-standing relationships are built on a foundation of trust and their wealth compounds over time through market cycles with diversified exposures to both public and private markets. A core differentiator is our ability to deliver independent advice at scale, particularly in private markets. We leverage our platform to negotiate preferred access and pricing with leading managers. A perfect example of this is our partnership allocating capital alongside our largest shareholder, Allianz, within the private credit space. This joint venture continues to grow, outperform and accrue to the benefit of our client base.

Consolidated revenue for the quarter was \$57 million, with approximately 95% generated by recurring management fees and Adjusted EBITDA was \$6 million. Our results this quarter also include a noncash valuation adjustment related to our interest in the arbitrage strategy. This adjustment is accounting-driven, reflecting valuation at a single point in time during a period of lower AUM. Despite this valuation adjustment, the strategy is performing well, up 7.5% through September, driven by an improved regulatory environment and strong market backdrop.

At AITi, our cost base is structurally lower and continues to decline as the efforts of our zero-based budget program come into effect. Once completed near the end of 2026, these initiatives are expected to generate approximately \$20 million in recurring annual gross savings across non-compensation categories. This disciplined approach to cost complements the robust organic growth we're seeing across our wealth business.

Internationally, we added more than \$600 million in assets in the quarter alone, including a \$240 million mandate secured through collaboration between our Miami and Singapore offices and \$130 million mandate driven by our impact investing team in Zurich, working with specialists from Kontora in Germany. Year-to-date, the international growth has been substantial with over \$1.2 billion added from both new clients and expanded relationships with existing ones. In the U.S., growth continues to accelerate as we strengthen relationships with large, sophisticated families and broaden our presence in priority markets. Through September, we secured nearly \$1.1 billion in new and expanded mandates, reflecting strong demand for our capabilities.

Our pipeline remains exceptionally robust, featuring significant OCIO opportunities. While onboarding timelines vary, our consistent execution and improved expertise give us confidence in converting these prospects into enduring client partnerships. Building on this progress, we are sharpening our growth focus through four distinct segments: women who manage wealth, family offices, endowments and foundations and established wealth. By tailoring our investment and service strategies to these segments, we aim to foster stronger internal alignment and create clear differentiation in the marketplace. Early indicators are positive, collaboration is accelerating, and after a brief slowdown last year, our prospect win rate is returning to normal levels.

In parallel, we have built and continue to invest in operational centers of excellence, Lisbon for international operations and Delaware for U.S. operations. These hubs are selected for strategic positioning and cost effectiveness, enabling us to create meaningful operating leverage as we scale.

We are also refining our pricing models with a particular focus on international wealth management. These enhancements will drive greater consistency across our global platform, align pricing with the complexity and value of services we deliver and strengthen operating margins, all while ensuring fair and transparent experience for clients.

Alongside these efforts, we're positioned to fully realize the benefits of substantial investments made over the past few years. These projects have strengthened our platform through a unified global tech infrastructure, consolidated investment capabilities, service and more robust finance function, leveraging best-in-class systems.

Taken together, these strengths, combined with our singular focus on serving global ultra-high net worth segment, positions AITi as a truly differentiated firm with a scalable control environment that is uncommon in our industry. While these investments have weighed on our short-term profitability, they were made with a clear long-term vision, creating a solid foundation for growth.

To summarize, the restructuring of the international real estate business is complete. The cost base is structurally lower and continuing to decline, and the platform is simplified and scalable. As new mandates and assets move into billing, revenue growth will convert into margin expansion. With the firm now squarely focused on organic and strategic growth within our core segment, we expect results to reflect this clearly as we move forward.

With that, I'll turn it over to Mike Harrington to walk through the results for the quarter.

### **Mike Harrington**

Thank you, Michael, and good afternoon, everyone. Let me begin with two important structural changes that shaped our third quarter results. First, our International Real Estate business being placed under administration in July qualified it to be presented as discontinued operations. As such, we have restated prior periods to isolate continued operations in accordance with U.S. GAAP. Second, in line with this presentation, we have unified our financial reporting into a single segment. These changes reflect our strategy to streamline and focus on our core wealth management franchise and the enhanced transparency, improve comparability and better reflect the business we are building and scaling.

Now turning to the quarter. Revenues for the third quarter were \$57 million, up 10% year-over-year and 9% sequentially, reflecting continued momentum in our Wealth Management business. Growth was led by management fees of \$52 million, up 7% versus last year, driven by robust asset growth. Additionally, revenues benefited from a year-over-year increase in incentive fees in the arbitrage fund. Importantly, 95% of revenues this quarter were recurring, underscoring the durability and predictability of our model. Assets under management reached \$49 billion at quarter end, up 6% year-over-year, fueled by strong underlying portfolio performance and the acquisition of Kontora last quarter. Sequentially, AUM increased 4%, reflecting both portfolio performance and meaningful net new asset growth, clear evidence of the momentum Michael highlighted as a core driver of future earnings power.

Operating expenses for the quarter were \$86 million, up from \$61 million in the prior year period. The increase was largely driven by nonrecurring noncash charges, including a \$4 million client redress provision and a \$16 million write-off of receivables due from our disposed international real estate business that were formerly intercompany balances. The year-on-year increase also reflects the acquisition of Kontora. Excluding the onetime items, normalized operating expenses were \$51 million versus \$43 million in the third quarter of 2024. Normalized compensation expenses totaled \$32 million compared to \$28 million, primarily reflecting the inclusion of Kontora and the bonus provision associated with the arbitrage incentive fee recorded this quarter.

Normalized non-compensation expenses were \$19 million compared to \$15 million in the prior year period, driven by Kontora's consolidation and higher professional fees and G&A expenses. Sequentially, normalized compensation expenses rose by \$3 million, primarily driven by the bonus provision. In sharp contrast, non-compensation expenses decreased approximately \$600,000 from the prior quarter, even after absorbing an additional month of Kontora, which contributed nearly \$500,000 in cost. Excluding Kontora, the quarter-over-quarter reduction exceeds \$1 million, underscoring the tangible impact of our zero-based budgeting initiative. This disciplined approach is delivering measurable savings across multiple categories, including technology, professional fees, marketing and travel and entertainment.

Building on these results, the initiatives implemented in these categories are delivering tangible benefits and will continue to contribute meaningfully to the quarters ahead. Importantly, additional savings are expected to come online soon as we begin to realize the impact of occupancy optimization across key offices and the wind-down of legacy technology and vendor contracts. Together, these efforts represent the next phase of our zero-based budgeting strategy and are central to our trajectory, reinforcing our commitment to operational discipline and positioning the Company for sustained margin expansion.

Other loss for the quarter was \$28 million, primarily driven by \$35 million noncash impairment of the arbitrage fund. This was partly offset by gains from fair value adjustments on certain investments.

Consolidated Adjusted EBITDA in the quarter was \$6 million compared to \$12 million in the prior year period. The 2024 quarter benefited from nearly \$3 million in interest income, while the third quarter of 2025 reflects the full impact of Kontora, adding approximately \$3 million in normalized costs alongside higher professional fees and G&A expenses. Importantly, nearly all of the \$93 million in EBITDA adjustments, approximately \$87 million are noncash in nature. Of the cash add-backs, only \$1 million were non-transaction related. This is notable as it points to the normalization of the business operations going forward.

The tax line this quarter reflects a noncash charge of \$30 million, including the impact of the 100% valuation allowance related to our deferred tax asset. This adjustment was necessary due to uncertainty around future realization.

Finally, on a GAAP basis, we reported a net loss of \$107 million for the quarter, primarily reflecting the noncash nonrecurring charges related to the exit of the International Real Estate business, the impairment of the arbitrage intangible and the valuation allowance against our deferred tax asset.

Adjusted net income, which excludes nonrecurring items, was \$1 million. The net loss from discontinued operations was \$20 million for the quarter, reflecting the full impact of placing the International Real Estate division in administration. Upon deconsolidation, intercompany balances were reclassified as third-party receivables and payables.

As part of its commitment to an orderly wind-down, AITi will provide financial support and transactional services through the wind-down period ending December 31, 2027. The support will be reflected as an adjustment to the payable balance and reported under continuing operations. While this quarter includes significant charges, these nonrecurring costs should not mask the encouraging quarter-over-quarter trends on a normalized basis.

The positive impact of our efficiency and productivity initiatives is starting to come through. As we enter the final quarter of 2025, AITi stands on a stronger, leaner platform with a normalizing expense base driven by organizational streamlining, zero-based budgeting implementation and the real estate exit. Combined with the robust organic growth outlook and pricing initiatives Michael outlined, we believe the business is well positioned for sustainable margin expansion.

With that, I'll hand it back to Michael for his closing remarks.

### **Michael Tiedemann**

Thank you, Mike. Before we open the line for questions, I want to reiterate what sets AITi apart. Our platform is purpose-built for the world's most sophisticated families, combining global reach, deep expertise and a cultural partnership that endures across generations. The resilience of our business anchored in long-standing relationships, high client retention and a commitment to independent best-in-class advice gives us confidence as we navigate periods of change.

As we sharpen our focus on our core wealth management business, we're investing in what matters most: our clients, our people and the capabilities that drive sustainable long-term growth. We believe the actions

we've taken this quarter position AITi to deliver on our mission, helping families manage wealth with purpose and building lasting legacies.

Thank you for your trust and partnership. Operator, let's open the line for questions.

**Operator**

Thank you. We will now be conducting a question-and-answer session. If you would like to ask a question, please press star, and then one on your telephone keypad. A confirmation tone will indicate that your line is in the question queue. You may press star, then two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up the handset before pressing the star keys.

The first question we have is from Wilma Burdis of Raymond James. Please go ahead.

**Wilma Burdis**

Hello. Good evening, you guys. Maybe you could help me just think a little bit more about normalized EBITDA versus the \$6.2 million that you guys posted in the quarter. I think you mentioned that normalized expenses were around \$35 million lower than the operating expenses on a reported basis. I don't know, should we add that back to the EBITDA? How should we think about that? Thanks.

**Mike Harrington**

Yes, I'll take that. Yes, you should add that back. I mean going to my comments around the Adjusted EBITDA, I think that's what you should focus on. That's what's been normalized. Yes, we definitely add the \$35 million back, that's going to be nonrecurring. I'm not sure I'm answering your question. Wilma, could you be more specific?

**Wilma Burdis**

Yes, I think what I'm trying to get into a little bit more is just how we should think about a normalized level of EBITDA. You've done some of the ZBB work. You've had different charges. Just any way you could help bridge me to a more normalized level of EBITDA on a go-forward basis would be helpful. Thank you.

**Mike Harrington**

Well, we're avoiding providing guidance. I think our commentary is trying to point in that direction. We got a lot of confidence in terms of how we're managing cost and the direction that those costs are headed. As I noted in my comments, we feel good about what's coming online in terms of savings. Any increases we might have, for example, when you get to the end of the year in Q1, you have merit increases that we should be able to mute that because we're going to have offsets to that in terms of—to keep that from rising.

Then as Michael noted, the pipeline activity is very strong. The last couple of quarters, you've seen our management fees really grow. We were up 15% from Q1. The combination of those two and some other initiatives we have going on like the pricing initiative that Michael referenced should really lead to an expanding margin. And I think we have a high degree of confidence around that outcome. Is that helpful?

**Wilma Burdis**

It is helpful. If I think about this year, what you guys have posted probably for the first three quarters, something in the 40—maybe a little bit more than that, \$40-ish million range for Adjusted EBITDA. Then you've got the ZBB coming on board as well and then some growth. Does that kind of give us a good decent type run rate to build off of without giving...

**Mike Harrington**

Well, if I was tilting off, I'd build off the \$6 million number we were providing as adjusted and then expand off of that number.

**Wilma Burdis**

Okay. That's a good number as kind of a run rate then you think and then you're adding ZBB and growth. Okay. Got you. Thank you. That helps. Then you made a commentary about just noncash versus cash. Is there any way—I don't think that this is something that you guys have provided a lot of detail in the way that I can recall historically, but is there a way to back into cash flows or anything along those lines? Thanks.

**Mike Harrington**

When our filing's made—we don't provide that in this material we have here, but when our filings made, you'll be able to see the cash, change in cash for the period. We did consume some cash this period. You'll see that when we file our 10-Q. But on a go-forward basis, I expect cash to—our cash and our cash flow to improve just based on the performance of the business improving.

**Wilma Burdis**

Okay. Got you. Could you just go a little bit—into a little bit more detail on the impairment in the arbitrage fund, which was—I think it was around \$35 million.

**Mike Harrington**

Sure. Yes. The valuation that was used last September was a function of certain projections, certain assumptions that are made around the business and its performance, and part of those assumptions were certain growth rates are applied to the business. As you can see, the results for the year, the assets haven't grown and are actually down from 9/30 of '24. That caused us to have to take a look at the assumptions that we have made around the valuation last year. We've refreshed all that with new assumptions around the go-forward growth rates. When we did the math, that also would have to earn an impairment on the business. As Michael noted, from a performance standpoint, the strategy is doing very well. It just didn't grow last year; it actually shrank in terms of AUM. But it's doing very well. It's having one of its best years in a number of years. That's the reason for the impairment.

**Wilma Burdis**

Got it. Makes sense. You guys touched on this in the opening comments, but just to confirm, should we consider the restructuring to be complete?

**Mike Harrington**

U.K.? Yes, the U.K., yes, that's behind us. With this quarter, there won't be additional charges related to that business. As we noted in the commentary, we'll provide support for the orderly wind down, but that will be done. We'll be making cash payments to support that, but there won't be any P&L impact going forward. It will just be a reduction of the payable that we have to the administrator.

**Wilma Burdis**

Got you. But I just mean generally, is there a lot more restructuring that needs to be done outside of that piece as well? Or maybe just give us a little bit of an indication.

**Mike Harrington**

Do you mean the entire business?

**Wilma Burdis**

Yes.

**Mike Harrington**

Not that I'm aware of, no.

**Wilma Burdis**

Okay. Any plans for a buyback or anything like that?

**Mike Harrington**

Michael, do you want to answer that or you'd like me to answer that question?

**Michael Tiedemann**

The buyback—I mean, buyback share repurchases on the list of topics to be discussed with the Board in our next meeting. We are always evaluating that and the share count and the dilution. That is part of our strategy conversations.

**Wilma Burdis**

Okay. Makes sense. Are there any additional noncore parts of the business that could be divested potentially hopefully for a (inaudible), but is there anything that you're considering pruning at this point?

**Michael Tiedemann**

Again, we are always looking at the optimization of the balance sheet in terms of asset values, core segments of growth, utilization of cash from any asset sales or just reduction of costs as we've been more focused on previously in terms of putting a segment under (phon) administration. These are all parts of evaluations that are ongoing and continuous. The answer is yes, always, but nothing to be announced.

**Wilma Burdis**

Okay. Great. Mike, maybe you could talk a little bit about the pipeline for deals and other opportunities to grow.

**Michael Tiedemann**

Yes, the advantage I believe we have or certainly one of the benefits of being a global business is the fact that there are opportunities—there are cities that we do not operate in, and there are obviously opportunities globally for us to evaluate. As we've been maturing as a public company and as we've been growing and executing and successfully integrating teams, we have more and more proof points to explain to any prospective team, individual or firm that might be a great strategic fit for us.

The pipeline is global. Obviously, we expanded within Germany. At this point, internationally, we would like to focus on densifying the existing jurisdictions and areas in which we operate. There's a lot of business growth pipeline opportunities in the Middle East. That is an obvious area for us that we're evaluating quite seriously. Throughout the U.S., there are a few cities and major cities that we do not currently have a presence where there are either teams to bring into the firm or potentially firms to add that we're evaluating as well.

**Wilma Burdis**

Great. Then—hopefully, I'm okay to ask another question—but are there any other strategic conversations that are ongoing that we should be aware of? Thanks.

**Michael Tiedemann**

Again, as a firm, we are always having internal strategic conversations about the firm, the stock price, acquisitions. As a firm, we are always evaluating the business at whole, but there is nothing to comment on.

**Wilma Burdis**

Okay. Thank you.

**Operator**

The next question we have is from Chris Kotowski of Oppenheimer & Co. Please go ahead.

**Chris Kotowski**

Yes, good afternoon. I was just wondering, the impairment that you said, I was a little fuzzy on that. Do we see that on the intangible asset line on the balance sheet? It's like not a part of an investment that was written down. It's the intangible, right?

**Mike Harrington**

Correct. That's right. Intangible related to the investment management contract, yes.

**Chris Kotowski**

Okay. I was also wondering you had, I think, in the past, talked about Kontora that had a fairly large headcount, a lot of service and that you were trying to recruit more wealth management people there. I'm just wondering if you can update us on how that's going.

**Michael Tiedemann**

The integration is going very well. We have everything from tech investment team, marketing team, all working on integration plans fully agreed by all teams. Obviously, the marketplace of Germany is a very exciting one for us. There have been some big—actually some collaborations already and some early wins that were meaningful.

It's important for us to, number one, evaluate the talent within any firm or team that joins us to make sure that we understand where that talent resides within the Organization. There are times where a single office or someone working within a firm and a single office can actually become elevated and be part of the global firm. We're also evaluating investment portfolios. There's a lot of integration that occurs in the first year. It's going very well. The team on the ground is very excited about it, and they're very happy to be integrated. Also, we're evaluating opportunities jointly.

**Chris Kotowski**

Okay. I was wondering about the two-year timeframe. I thought I heard you say December 31, 2027, is kind of the final. Should I understand that is that like the final liquidation of all the U.K. assets? Does that settle any—does that timeframe incorporate any settlement of any litigation issues that might still be outstanding?

**Mike Harrington**

Why don't I—the December of 2027 is just—that's the administrator's timeline. That's what they're targeting is to complete their work in terms of resolving all the matters related to the liquidation of the assets and the repayment to creditors. We're not involved in that and don't have any influence on the timing of that. That's just their kind of standard operating plan. We will provide support through December of 2027 and then thereafter, we will not. If the administration continues after that, we will not be obliged to. We will have provided all of our support that we're going to provide at that point.

**Chris Kotowski**

The nature...

**Mike Harrington**

I'm sorry, go ahead.

**Chris Kotowski**

Yes, I was going to ask what's the nature of the support that you have to provide?

**Mike Harrington**

We'll put in a funding agreement between us, and we're in the final stages of negotiating that. But that funding agreement will be consistent with the payable that's on our balance sheet now that's due to a third party. When you get to read our 10-Q, this is described in a lot of detail in there. You'll see we have a payable to a third party. That third party is the administrator, and we will relieve that payable by sending cash to the administrator over—on a set schedule, which we're, again, in the final stages of negotiating that schedule. It will be over the time of the administration, which is the next—look, think about it in the next eight quarters because the first payment won't be due until the first quarter of 2026.

From a legal perspective, the matters that were related to the International Real Estate business, they are now the responsibility of the administrator. Part of the reason we took the action we did was to have those matters be then transferred to the administration. On a go-forward basis, we mitigated that exposure.

**Chris Kotowski**

Okay. Great. All right. That's it for me. Thank you.

**Operator**

Thank you. There are no further questions at this time. I would like to turn the floor back over to Michael Tiedemann for closing comments.

**Michael Tiedemann**

Thank you all for dialing in today, for your interest and support. If there are any further questions, please do contact Lily Arteaga and our IR department. I wish everyone a happy Thanksgiving and happy holidays in the months ahead. Cheers.

**Operator**

That concludes today's conference. Thank you for joining us. You may now disconnect your lines.