

# AITi (ALTI)

1Q 2026 EARNINGS

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## CORPORATE PARTICIPANTS

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

**Nancy Curtin**, *Interim Chief Executive Officer and Global Chief Investment Officer*

**Michael Harrington**, *Chief Financial Officer*

## CONFERENCE CALL PARTICIPANTS

**Chris**, *Raymond James*

## **PRESENTATION**

### **Operator**

Good afternoon. At this time, I would like to welcome everyone to AITi's First Quarter 2026 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 in 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 and welcome to AITi Global's first quarter 2026 earnings conference call.

On today's call, we will hear prepared remarks from Nancy Curtin, Interim Chief Executive Officer and Global Chief Investment Officer, and Mike Harrington, Chief Financial Officer. Nancy and Mike, along with Kevin Moran, our President and Chief Operating Officer, will be available to answer questions during the Q&A session.

Before we begin, I would like to remind everyone that certain statements made during the 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 can be identified by the use of words such as anticipate, believe, continue, estimate, expect, future, intend, may, planned, and will, or similar terms. Because these forward-looking statements involve both known and unknown risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these statements. For a discussion of these risks and uncertainties that could cause actual results to differ, please refer to AITi's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q. AITi assumes no obligation or responsibility to update any forward-looking statements.

During this call, some comments may include references to non-GAAP financial measures. Full reconciliations can be found in our Earnings presentation and our related SEC filings.

With that, I'd like to turn the call over to Nancy Curtin. Nancy?

### **Nancy Curtin**

Thank you, Lily, and good afternoon, everyone.

As I reflect on my first six weeks as Interim CEO, what stands out most is the strength of our platform and the opportunity ahead. AITi operates at the high end of the wealth management market, serving ultra-high-net-worth families and institutions whose needs are increasingly global, complex, and long term in nature. That position is differentiated, highly relevant and well aligned with the needs of these clients that are navigating generational change and a more uncertain market environment.

During these first few weeks, my focus has been on working with the Leadership team to maintain execution, shore up on priorities and ensure the organization remains aligned. While we continue to refine how we deliver against our plans, our strategic priorities remain unchanged: driving organic growth; pursuing inorganic opportunities where they are strategic to our goals; operate as one global firm; building capacity for our people; and importantly, improving profitability in a disciplined and sustainable way.

The first quarter of 2026 unfolded against a volatile market backdrop: geopolitical uncertainty, sharp increases in energy prices, lower equity markets, currency fluctuations, and shifting expectations around interest rates. These factors all contributed to heightened dispersion and pressure on asset values across the industry. In that environment, the resilience of our client base and investment approach is especially important. Our clients are ultra-high-net-worth families and institutions with long-term investment horizons, well-diversified balance sheets and generally limited near-term liquidity needs, which support our disciplined decision-making through periods of market stress.

At the portfolio level, our allocations are designed with diversification and downside awareness in mind, and typically exhibit lower beta relative to the broader markets. In addition, our positioning in energy and energy infrastructures and technology, both in the United States and emerging markets, allowed us outperform more volatile markets.

While market movements can affect reported AUM quarter-to-quarter, as we saw during this past quarter, the underlying client relationships, engagement levels and long-term strategies remain fundamentally resilient. As we look forward, our job is to continue to strengthen our firm by investing in capacity and growth, while streamlining complexities and cost. We are investing thoughtfully in this platform, improving how we operate, removing inefficiencies, creating more capacity for advisors to serve our clients, and thus drive organic growth.

With that context, let me briefly highlight a few points from our first quarter results. AITi generated \$73 million in total revenue, representing 28% growth compared to the same period last year. Recurring management and advisory fees totaled \$52 million, up 16% year-over-year, and continue to represent the majority of our revenue base, reflecting the stability and recurring nature of our business model. We also saw meaningful contributions from investment distributions of \$21 million. The incentive portion of those distributions was \$19 million in Q1 2026 compared to \$10 million in Q1 2025.

Adjusted EBITDA for the quarter was \$15 million, up 21% compared to the prior-year quarter, largely driven by the revenue increase.

Overall revenue in the quarter held up well, particularly given, as mentioned, the heightened geopolitical uncertainty and market volatility. Our results benefited from the stability of our core revenue streams, and we also saw a contribution from the incentive income driven by the strong performance of our external managers.

That said, we are very clear about where improvement is needed, meaningfully increasing organic revenue growth is critical and is a primary focus across the organization. We are intent on driving stronger, more consistent momentum as we move forward. We also continue to review inorganic opportunities in our core strategic markets to catalyze further growth and help us scale the business.

On the expense side, costs remain too high, and addressing that is a near-term priority. We are laser-focused on reducing and simplifying our cost structure. While the reported numbers do not yet fully reflect the progress through the ongoing strategic review, our underlying expense trajectory is improving. These efforts are aimed at better aligning the business with its core strengths and ensuring our financial results more accurately reflect its long-term earnings power.

Finally, with respect to the strategic review process, the committee continues its work. As of today, there's nothing further to report. We will provide updates as appropriate.

With that, I'll turn the call over to Mike to walk through the financials in more detail. Mike?

**Michael Harrington**

Thanks, Nancy, and good afternoon, everyone.

As Nancy outlined, the quarter was shaped by a challenging market environment with asset values impacted by volatility. I'll walk through the financials in more detail, focusing on the composition of revenue, the dynamics affecting expenses, and the contribution for our investment interest.

Assets under management ended the quarter at \$49 billion, up 9% year-over-year, driven by strong investment performance and the acquisition of Kontora. This growth was achieved despite market-driven depreciation during the quarter, reflecting the geopolitical uncertainty, higher energy prices, currency movements and shifting interest rate expectations referenced earlier.

In the first quarter, AITi generated \$73 million of total revenue, representing a 28% increase versus the prior year. Recurring management and advisory fees totaled \$52 million, up 16% year-over-year, reflecting the Kontora acquisition and higher average billable AUM, partially offset by market volatility during the first quarter.

Distributions from investments were also a meaningful contributor, totaling \$21 million in the first quarter, up 75% year-over-year. The incentive portion, which reflects performance earned by external managers in the prior year, totaled \$19 million in the first quarter 2026. Of that amount, approximately \$18 million was attributable to Zebedee, the European long/short strategy, which generated a 15.3% return in 2025. As we've discussed previously, these distributions play an important role in diversifying our cash flow and supporting results in periods where market-driven AUM pressure impacts recurring revenues.

Before turning to expenses, I want to briefly level-set on the dynamics this quarter. As noted last quarter, actions we've taken are resulting in improved cost control and underlying expense reductions. However, that progress is being obscured by temporary and non-operational items, including costs associated with the strategic review and the recent Management restructuring. As Nancy noted, we remain intensely focused on driving further cost reductions. Lowering the expense base is central to improve the financial profile of the business, and we expect the benefits of these efforts to be demonstrated in the second half of the year.

For the quarter, reported operating expenses increased by \$18 million year-over-year to \$84 million, driven primarily by higher compensation costs related to the recent Management restructuring, acquisition-related earn-outs and the Kontora acquisition. In addition, operating expenses reflected non-compensation costs, driven primarily by increased professional fees and G&A expenses, including costs associated with the strategic review process, as well as foreign exchange and other non-recurring operational costs. These impacts were partially offset by lower bad debt expense compared to the prior year, along with reduced spending in areas such as technology, occupancy and marketing, reflecting progress under our zero-based budgeting initiatives.

On a normalized basis, excluding non-recurring and non-cash items, operating expenses were \$58 million compared to \$45 million in the first quarter of 2025, reflecting many of the items mentioned above. Importantly, on a sequential basis, normalized expenses declined by \$19 million, primarily due to lower compensation costs from the absence of the arbitrage incentive bonus, alongside continued progress in simplifying the organization and lowering the cost base. As our zero-based budgeting initiatives continue to advance, we expect these benefits to become more visible in reported results. However, as noted earlier, we continue to incur strategic review-related costs, primarily reflected in professional fees, which are expected to persist until the process is complete.

For the quarter, Adjusted EBITDA was \$15 million, up 21% compared to the prior period, and up \$4 million sequentially, or 32%. The sequential improvement primarily reflects lower cost, as well as the impact of

higher-margin incentive fees from our investment holdings and external managers. Adjusted EBITDA margin was 20% compared to 13% in the prior quarter.

Other income for the quarter as \$19 million, driven primarily by valuation-related items, including gains on investments and liabilities.

Finally, on a GAAP basis, we reported net income from continuing operations of \$8 million for the quarter, an increase of \$4 million from the prior period.

With that, I'll turn it back to Nancy for her closing remarks.

### **Nancy Curtin**

Thank you, Mike.

As Interim CEO, I've had the opportunity to step even more deeply into the business over the past several weeks, and what stands out most to me is the strength and resilience of AITi's platform and client base. In a dynamic and uncertain market environment, our clients have remained highly engaged, grounded in long-term objectives and focusing on partnering with us across wealth and investment management solutions.

Building on the important work completed in 2025, we enter 2026 with a simpler organization, improving cost discipline, and a business model anchored in high recurring revenues and long-duration client relationships. I'm encouraged by the momentum we're seeing across the firm, and excited about the opportunities ahead, particularly as we build the foundation to drive organic growth while continuing to execute on cost efficiency with focus and discipline.

Thank you for your continued interest and support, and we look forward to updating you on our progress in the quarters ahead.

I'll now turn the call back to the Operator 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 your line is in the question queue. You may press star, and then two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary for you to pick up your handset before pressing the star keys. One moment, please, while we poll for questions.

First question is from Wilma Burdis from Raymond James. Please proceed with your question, Wilma.

### **Chris**

Hi, this is Chris on for Wilma. Can you provide any updates on the AUM, given the market rebound in recent weeks?

### **Nancy Curtin**

It's Nancy. Yes. I think we did not sell during the period of the conflict and war, so we maintained our positioning, which had a combination of energy infrastructure and energy-related positioning, plus technology. As the market turned around, we've been able to nicely participate in the recovery. I don't have an exact AUM figure; we can certainly follow-up and give that to you. But I would say, overall, just as we did last year, we did not panic with the particular event and crisis that we're continuing to live through in the world, and we've remained invested. That's been a good thing to, as I said, participate in the recovery.

**Chris**

Great, thank you. Do you expect this level of incentive income from third party managers to be a good run rate, or should it normalize in a less volatile environment?

**Nancy Curtin**

It's hard to say because, remember, their strategies are not just beta market oriented. Ours aren't either, I should say, because we have quite a lot of alternative expertise. But in a long/short manager, it's hard to say. Obviously, Zebedee had very good performance in Q1, and we'll have to see how it comes out in Q2. It's hard to say at this point. The numbers we've seen initially look encouraging, but we need to see how the quarter ends.

**Chris**

Okay, makes sense. Then, one more question. Do you have any idea of when we could expect the strategic review and, therefore, elevated expenses, to come down to a more normalized level?

**Nancy Curtin**

I think on the strategic review, the large amount of those expenses hopefully are probably behind us. Obviously, if any proposal comes to the Company, to the Board, the Board will need to evaluate it, consistent with its fiduciary responsibilities. It's hard to be sure that all the costs are behind us, but broadly, we have a very laser-focused—really, just evaluating opportunities that come as opposed to a strategic review process in place at the moment.

**Michael Tiedemann**

Chris, this is Mike. I would just say, and I stated specifically, I think we should expect those costs to continue in the second quarter at least, and maybe bleed into the third. But when we get into the back half of this year, that should be behind us, contingent on the process being complete. But the costs we're incurring right now should start to diminish, back half of the year.

**Chris**

Great. Thank you.

**Operator**

Thank you very much.

We have no further questions. At this time, I'd like to hand the call to Nancy for closing remarks. Thank you so much.

**Nancy Curtin**

I just want to thank everyone for listening to the Earnings Call today, participating and asking such excellent questions. We look forward to seeing you next quarter as we continue to implement our strategy, focused on both cost discipline and organic growth ahead. Thank you for your time today.

**Operator**

Thank you. Ladies and gentlemen, that does conclude today's conference. Thank you very much for joining us. You may now disconnect your line.