



**GAMCO**  
INVESTORS

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## **GAMCO Investors, Inc. (“GAMI”) Reports Results for the Fourth Quarter and Year Ended December 31, 2022**

- **December 31, 2022 AUM of \$29.3 billion**
  - **Equity AUM was \$26.8 billion at December 31, 2022**
  - **Lowest cost 100% U.S. Treasury Money Market Fund with \$2.5 billion at December 31, 2022**
- **Revenues of \$61.6 million for the fourth quarter; \$258.7 million for the full year**
- **Fully diluted fourth quarter earnings were \$0.83 per share; \$2.51 for the full year**
- **Ended 2022 with \$166.5 million in cash and investments and no debt**
- **Charitable contributions totaling \$74 million since IPO**

Greenwich, Connecticut, February 8, 2023 – GAMCO Investors, Inc. (“GAMI”) (OTCQX: GAMI) today reported its operating results for the year ended December 31, 2022.

### ***Giving Back to Society***

Since the inception of GAMI’s shareholder designated charitable contribution program in 2013, shareholders have designated charitable gifts of \$48 million to approximately 350 charitable organizations, including \$11.3 million in 2021. Since our initial public offering in February 1999, our firm’s combined charitable donations total approximately \$74 million.

### ***Full Year Results***

<b>Financial Highlights (Unaudited)</b>		
<b><u>U.S. GAAP Basis</u></b>	<b><u>Year Ended</u></b>	
	<b><u>December 31,</u></b>	<b><u>December 31,</u></b>
(In thousands, except per share data)	<b><u>2022</u></b>	<b><u>2021</u></b>
Revenues	\$ 258,746	\$ 301,126
Operating income	89,234	117,420
Net income	65,563	73,199
Diluted earnings per common share	\$ 2.51	\$ 2.73
Weighted average diluted shares outstanding	26,136	26,809
Shares outstanding	25,680	26,728
<b><u>Assets Under Management</u></b>		
AUM - end of period (in millions)	\$ 29,261	\$ 34,982
AUM - average (in millions)	30,997	34,272

### ***Change in Registration and Move to OTCQX***

Following a review of the costs and benefits of being listed on the NYSE, (y)our Board authorized the delisting of GAMI from the NYSE (formerly NYSE: GBL) and deregistration from the SEC. In October, GAMI filed Form 15, which suspended the filing requirements of Forms 10-Q, 10-K, and 8-K. On October 7, 2022, the Company's shares started trading on the OTCQX under the new symbol "GAMI." The Company anticipates redeploying a portion of these savings in client service and technology.

### ***Results for the Fourth Quarter***

#### ***Revenues***

- Revenues for the fourth quarter of 2022 were \$61.6 million compared with \$81.7 million in the fourth quarter of 2021.
- Investment advisory fees were \$56.6 million in the fourth quarter of 2022 versus \$75.1 million in the year ago quarter:
  - Fund revenues were \$37.4 million compared to \$46.1 million in the fourth quarter of 2021.
  - Institutional and Private Wealth Management revenues, which are generally billed on portfolio values at the beginning of the quarter, were \$13.8 million compared to \$17.8 million in last year's fourth quarter.
  - SICAV revenues were \$2.1 million compared to \$2.0 million in the year ago quarter.
  - Incentive fee revenues were \$3.3 million versus \$9.2 million in the fourth quarter of 2021.
- Distribution fees from our equity mutual funds and other income were \$5.0 million during the fourth quarter of 2022 and \$6.6 million in the prior year quarter.

#### ***Operating Income***

Operating income was \$17.0 million versus \$29.4 million in the fourth quarter of 2021. We note, on a comparable basis, waiver of CEO compensation bolstered the fourth quarter 2021 operating income by \$7.6 million.

#### ***Non-Operating Income***

Mark-to-market investment gains were \$3.8 million in the fourth quarter of 2022 versus losses of \$1.9 million, including an expense of \$11.3 million for the SDCC in the fourth quarter of 2021. Interest expense in the fourth quarter of 2022 was \$0.3 million (due to the capital lease accounting) versus \$0.8 million in the fourth quarter of 2021.

## ***Income Taxes***

GAMI's effective tax rate ("ETR") for the quarter ended December 31, 2022 was a benefit of 4.1% versus an expense of 28.8% for the quarter ended December 31, 2021.

## ***Full Year Financials***

Revenues for 2022 were \$258.7 million compared with \$301.1 million in 2021.

For 2022, operating income was \$89.2 million and was bolstered by a \$11.9 million benefit from CEO compensation waivers. Operating income for 2021 was \$117.4 million, enhanced by the \$20.8 million benefit from CEO compensation waivers.

For the year, mark-to-market investment losses were \$4.5 million in 2022 versus gains of \$0.8 million in 2021. Interest expense was lower at \$2.5 million for 2022 and \$2.9 million for 2021. There were charges for the SDCC programs of \$11.3 million in 2021.

GAMI's effective tax rate for 2022 was 20.2% versus 29.6% for 2021.

## ***Balance Sheet***

GAMI ended the quarter with cash and investments of \$148.1 million and \$18.3 million of seed capital investments.

## ***Business Highlights***

- On October 31<sup>st</sup> and November 1<sup>st</sup>, we hosted our 46<sup>th</sup> Annual Automotive Symposium in Las Vegas. The symposium featured presentations from senior management of leading automotive and electric vehicle suppliers.
- We hosted our Fourth Annual Healthcare Symposium in conjunction with Columbia Business School on November 18<sup>th</sup>.

## ***January 4, 2023 – GCAD (The Gabelli Commercial Aerospace & Defense ETF) launched on NYSE***

- The ETF focuses on the aerospace and defense sectors. The Fund's adviser has agreed to absorb all expenses including management fees on the first \$25 million of net assets. The agreement can be terminated by the Fund's board at any time.

## ***Gabelli U.S. Treasury Money Market Fund***

- The Gabelli U.S. Treasury Money Market Fund (NASDAQ: GABXX), the lowest cost U.S. Treasury Money Market Fund, exceeded \$3.0 billion in AUM during January 2023. The fund is among the most attractive money market funds in its class. The quality of U.S. Treasury securities coupled with total expenses capped at 0.08% and the exemption from state and local income taxes of its dividends, translates into a very competitive after-tax yield.

## Return to Shareholders

During the fourth quarter, GAMI paid a dividend of \$0.04 per share for a total of \$1.0 million and purchased 223,802 shares for \$3.5 million at an average price of \$15.45 per share. From January 1, 2023, to February 7, 2023, the Company has purchased 150,858 shares at an average price of \$16.63 per share.

On February 7, 2023, GAMI's board of directors declared a regular quarterly dividend of \$0.04 per share, which is payable on March 28, 2023, to class A and class B shareholders of record on March 14, 2023.

## About GAMCO Investors, Inc.

GAMI is known for its research-driven value approach to equity investing (known as PMV with a Catalyst™). GAMI conducts its investment advisory business principally through two subsidiaries: Gabelli Funds, LLC (24 open-end funds, 14 closed-end funds, 5 actively managed semi-transparent ETFs, and a SICAV) and GAMCO Asset Management Inc. (approximately 1,400 institutional and private wealth separate accounts, principally in the U.S.). GAMI serves a broad client base including institutions, intermediaries, offshore investors, private wealth, and direct retail investors. In recent years, GAMI has successfully integrated new teams of RIAs by providing attractive compensation arrangements and extensive research capabilities.

Gabelli Funds offers a wide range of solutions for clients across Value and Growth Equity, ESG, Convertibles, sector-focused strategies including Gold and Utilities, Merger Arbitrage, and U.S. Treasury Money Market Fixed Income.

Table I: Assets Under Management and Fund Flows - 4th Quarter 2022 (in millions)

	September 30, 2022	Inflows	Outflows	Market appreciation/ (depreciation)	Fund distributions, net of reinvestments	December 31, 2022	December 31, 2021
Equities:							
Mutual Funds	\$ 7,689	\$ 145	\$ (436)	\$ 769	\$ (27)	\$ 8,140	\$ 10,249
Closed-end Funds	6,580	15	(101)	676	(124)	7,046	8,656
Institutional & PWM (a)	9,832	106	(457)	1,233	-	10,714	13,497
SICAV	785	93	(90)	79	-	867	831
Total Equities	24,886	359	(1,084)	2,757	(151)	26,767	33,233
100% U.S. Treasury Money Market Fund	2,715	1,340	(1,615)	22	-	2,462	1,717
Institutional & PWM Fixed Income	32	-	-	-	-	32	32
Total Treasuries & Fixed Income	2,747	1,340	(1,615)	22	-	2,494	1,749
Total Assets Under Management	\$ 27,633	\$ 1,699	\$ (2,699)	\$ 2,779	\$ (151)	\$ 29,261	\$ 34,982

(a) Includes \$173, \$223, and \$183 of 100% U.S. Treasury Fund AUM at September 30, 2022, December 31, 2022, and December 31, 2021, respectively.

Table II

**GAMCO INVESTORS, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Investment advisory and incentive fees	\$ 56,631	\$ 75,029	\$ 236,856	\$ 274,531
Distribution fees and other income	4,971	6,638	21,890	26,595
Total revenues	61,602	81,667	258,746	301,126
Compensation costs (a)	28,420	34,241	111,232	118,186
Management fee expense (a)	2,283	-	5,690	5,552
Distribution costs	5,460	7,753	25,876	30,276
Other operating expenses	8,432	10,232	26,714	29,692
Total expenses	44,595	52,226	169,512	183,706
Operating income	17,007	29,441	89,234	117,420
Investment gain/(loss), net	3,844	(1,916)	(4,510)	819
Interest expense	(291)	(818)	(2,526)	(2,919)
Shareholder-designated contribution	-	(11,279)	-	(11,279)
Non-operating gain/(loss)	3,553	(14,013)	(7,036)	(13,379)
Income before income taxes	20,560	15,428	82,198	104,041
Provision for income taxes	(836)	4,441	16,635	30,842
Net income	\$ 21,396	\$ 10,987	\$ 65,563	\$ 73,199
Net income:				
Basic	\$ 0.83	\$ 0.42	\$ 2.52	\$ 2.79
Diluted	\$ 0.83	\$ 0.41	\$ 2.51	\$ 2.73
Weighted average shares outstanding:				
Basic	25,648	26,142	25,973	26,267
Diluted	25,665	26,654	26,136	26,809
Actual shares outstanding (b)	25,680	26,728	25,680	26,728

(a) The CEO waiver reduced compensation costs by \$0, \$6,741, \$9,909 and \$17,118, respectively, and management fee expense by \$0, \$869, \$2,108 and \$3,696, respectively.

(b) Includes 70 and 411 RSA shares at December 31, 2022 and 2021, respectively.

Table III

**GAMCO INVESTORS, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(In thousands)

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
Cash, cash equivalents, and U.S. Treasury Bills	\$ 66,381	\$ 142,027
Investments in securities	84,742	20,259
Seed capital investments	18,347	12,085
Receivable from brokers	1,932	3,930
Other receivables	25,839	34,943
Deferred tax asset and income tax receivable	16,741	6,707
Other assets	9,879	11,721
Total assets	<u>\$ 223,861</u>	<u>\$ 231,672</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Payable for investments purchased	\$ 2,980	\$ 14,990
Income taxes payable	40	315
Compensation payable	33,919	21,049
Accrued expenses and other liabilities	47,868	50,448
Sub-total	84,807	86,802
Subordinated Notes (due June 15, 2023)	-	50,990
Total liabilities	84,807	137,792
Stockholders' equity (a)	139,054	93,880
Total liabilities and stockholders' equity	<u>\$ 223,861</u>	<u>\$ 231,672</u>

(a) Shares outstanding of 25,680 and 26,728, respectively.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this press release, which do not present historical information, contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements convey our current expectations or forecasts of future events. You can identify these statements because they do not relate strictly to historical or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning. They also appear in any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance of our products, expenses, the outcome of any legal proceedings, and financial results. Although we believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know about our business and operations, the economy, the effects of the Tax Cuts and Jobs Act, and other conditions, there can be no assurance that our actual results will not differ materially from what we expect or believe. Therefore, you should proceed with caution in relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that are difficult to predict and could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Some of the factors that may cause our actual results to differ from our expectations include risks associated with the duration and scope of the ongoing coronavirus pandemic resulting in volatile market conditions, a decline in the securities markets that adversely affect our assets under management, negative performance of our products, the failure to perform as required under our investment management agreements, a general downturn in the economy that negatively impacts our operations, and the impacts of the Tax Cuts and Jobs Act with respect to tax rates and the non-deductibility of certain portions of named executive officer compensation. We also direct your attention to the more specific discussions of these and other risks, uncertainties and other important factors contained in our Annual Report and other public filings. Other factors that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations whether as a result of new information, future developments or otherwise, except as may be required by law.

Gabelli Funds, LLC is a registered investment adviser with the Securities and Exchange Commission and is a wholly owned subsidiary of GAMCO Investors, Inc. (OTCQX: GAMI).

***Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. The prospectus, which contains more complete information about this and other matters, should be read carefully before investing. To obtain a prospectus, please call 800 GABELLI or visit [www.gabelli.com](http://www.gabelli.com)***