



GAMCO
INVESTORS

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GAMCO Investors, Inc. (“GAMI”) Reports Results for the First Quarter 2023

- **March 31, 2023 AUM of \$30.7 billion vs. \$29.3 billion at December 31, 2022**
 - **Equity AUM was \$27.1 billion and U.S. Treasury Money Market Fund was \$3.6 billion at March 31, 2023**
- **Revenues of \$59.9 million for the first quarter vs. \$69.6 million in year ago quarter**
- **Fully diluted first quarter earnings were \$0.62 per share vs. \$0.66 per share in first quarter 2022**
- **Ended quarter with \$154.6 million in cash and investments, \$21.9 million in seed capital and no debt**

Greenwich, Connecticut, May 9, 2023 – GAMCO Investors, Inc. (“GAMI”) (OTCQX: GAMI) today reported its operating results for the quarter ended March 31, 2023.

Giving Back to Society - \$74 million since IPO

Since our initial public offering in February 1999, our firm’s combined charitable donations total approximately \$74 million, including \$48 million through the shareholder designated charitable contribution (“SDCC”) program. In 2013, GAMI initiated the SDCC program whereby shareholders have designated charitable gifts to approximately 350 charitable organizations, including \$11.3 million distributed in 2022.

Results for the First Quarter

Financial Highlights (Unaudited)		
<u>U.S. GAAP Basis</u>	<u>Three Months Ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
(In thousands, except per share data)	<u>2023</u>	<u>2022</u>
Revenues	\$ 59,906	\$ 69,623
Operating income	16,398	25,961
Net income	15,897	17,454
Diluted earnings per common share	\$ 0.62	\$ 0.66
Weighted average diluted shares outstanding	25,529	26,493
Shares outstanding	25,398	26,584
<u>Assets Under Management</u>		
AUM - end of period (in millions)	\$ 30,672	\$ 33,378
AUM - average (in millions)	30,763	33,286

Revenues

- Revenues for the first quarter of 2023 were \$59.9 million compared with \$69.6 million in the first quarter of 2022.
- Investment advisory fees were \$55.0 million in the first quarter of 2023 versus \$63.8 million in the year ago quarter:
 - Fund revenues were \$37.5 million compared to \$43.0 million in the first quarter of 2022.
 - Institutional and Private Wealth Management revenues, which are generally billed on portfolio values at the beginning of the quarter, were \$15.3 million compared to \$18.6 million in last year's first quarter.
 - SICAV revenues were \$2.2 million compared to \$2.2 million in the year ago quarter.
- Distribution fees from our equity mutual funds and other income were \$4.9 million during the first quarter of 2023 and \$5.8 million in the prior year quarter.

Operating Income

Operating income was \$16.4 million versus \$26.0 million in the first quarter of 2022. We note, on a comparable basis, the waiver of CEO compensation bolstered the first quarter 2022 operating income by \$4.1 million.

Non-Operating Income

Mark-to-market investment gains were \$2.2 million in the first quarter of 2023 versus losses of \$2.6 million in the first quarter of 2022. In the first quarter, interest expense (for finance lease accounting) was \$0.3 million versus interest expense of \$0.8 million in the first quarter of 2022.

Income Taxes

GAMI's effective tax rate for the full year 2023 is estimated to be 22.5% versus the 20.2% for the full year 2022.

Balance Sheet

GAMI ended the quarter with cash and investments of \$154.6 million and \$21.9 million of seed capital investments.

Business Highlights

- On January 4th, we launched our fifth ETF, The Gabelli Commercial Aerospace & Defense ETF (NYSE: GCAD). 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.
- On February 23rd, we hosted our 33rd Annual Pump, Valve & Water Systems Symposium. The meeting featured presentations by senior management of several leading industrial companies with an emphasis on industrial and municipal water use and the role of technology.
- On March 16th, we hosted our 14th Annual Specialty Chemicals Symposium. The symposium featured presentations from senior management of leading specialty chemicals companies.

Subsequent to the end of the 1st quarter:

- On April 25th to April 27th, Gabelli Funds was the Principal Sponsor of Morningstar's Annual Investor Conference held in Chicago.
- On May 5th, GAMI hosted the 17th Annual Omaha Research Trip in conjunction with the Berkshire Hathaway Annual Meeting. This Value Investor Conference attracted a record number of participants with Gabelli portfolio managers anchoring panels with noted Berkshire experts and regional CEOs.
- On May 11th, GAMI will host its 9th Annual Waste & Sustainability Symposium at the Harvard Club in New York City.

Gabelli U.S. Treasury Money Market Fund

- The Gabelli U.S. Treasury Money Market Fund (NASDAQ: GABXX), had net inflows of \$1.1 billion ending the quarter at \$3.6 billion. The fund is the lowest cost 100% U.S. Treasury Money market fund with a total expense ratio of 8 bps (0.08%) and is SALT free - exempt from state and local income taxes.

Return to Shareholders

During the first quarter, GAMI paid a dividend of \$0.04 per share for a total of \$1.0 million and purchased 281,370 shares for \$4.9 million at an average price of \$17.49 per share. From April 1, 2023, to May 9, 2023, the Company has purchased 34,767 shares at an average price of \$19.10 per share.

On May 9, 2023, GAMI's board of directors declared a regular quarterly dividend of \$0.04 per share, which is payable on June 27, 2023, to class A and class B shareholders of record on June 13, 2023.

About GAMCO Investors, Inc.

GAMI is best 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). GAMI serves a broad client base including institutions, intermediaries, 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, SRI, 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 - 1st Quarter 2023 (in millions)

	December 31, 2022	Inflows	Outflows	Market appreciation/ (depreciation)	Fund distributions, net of reinvestments	March 31, 2023	March 31, 2022
Equities:							
Mutual Funds	\$ 8,140	\$ 242	\$ (378)	\$ 288	\$ (4)	\$ 8,288	\$ 9,824
Closed-end Funds	7,046	24	(15)	233	(133)	7,155	8,097
Institutional & PWM (a)	10,714	61	(558)	547	-	10,764	12,674
SICAV	867	124	(176)	9	-	824	879
Total Equities	26,767	451	(1,127)	1,077	(137)	27,031	31,474
100% U.S. Treasury Money Market Fund	2,462	1,845	(732)	34	-	3,609	1,872
Institutional & PWM Fixed Income	32	-	-	-	-	32	32
Total Treasuries & Fixed Income	2,494	1,845	(732)	34	-	3,641	1,904
Total Assets Under Management	\$ 29,261	\$ 2,296	\$ (1,859)	\$ 1,111	\$ (137)	\$ 30,672	\$ 33,378

(a) Includes \$223, \$224, and \$185 of 100% U.S. Treasury Fund AUM at December 31, 2022, March 31, 2023, and March 31, 2022, respectively.

Table II

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

	Three Months Ended March 31,	
	2023	2022
Investment advisory and incentive fees	\$ 54,995	\$ 63,762
Distribution fees and other income	4,911	5,861
Total revenues	59,906	69,623
Compensation costs (a)	29,186	29,058
Management fee expense (a)	2,036	1,312
Distribution costs	6,473	7,145
Other operating expenses	5,813	6,147
Total expenses	43,508	43,662
Operating income	16,398	25,961
Investment gain/(loss), net	2,222	(2,594)
Interest expense	(298)	(816)
Non-operating gain/(loss)	1,924	(3,410)
Income before income taxes	18,322	22,551
Provision for income taxes	2,425	5,097
Net income	\$ 15,897	\$ 17,454
Net income:		
Basic	\$ 0.62	\$ 0.67
Diluted	\$ 0.62	\$ 0.66
Weighted average shares outstanding:		
Basic	25,529	26,237
Diluted	25,529	26,493
Actual shares outstanding (b)	25,398	26,584

(a) For the three months ended March 31, 2022, the CEO waiver reduced compensation costs by \$3,385, and management fee expense by \$736.

(b) Includes 0 and 411 RSA shares at March 31, 2023 and 2022, respectively.

Table III

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

	March 31, 2023	December 31, 2022	March 31, 2022
ASSETS			
Cash, cash equivalents, and U.S. Treasury Bills	\$ 133,277	\$ 66,381	\$ 144,369
Investments in securities	21,327	84,742	22,308
Seed capital investments	21,911	18,347	15,674
Receivable from brokers	1,558	1,932	2,873
Other receivables	21,439	25,839	25,517
Deferred tax asset and income tax receivable	12,871	16,701	7,456
Other assets	13,759	9,879	11,985
Total assets	<u>\$ 226,142</u>	<u>\$ 223,821</u>	<u>\$ 230,182</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Payable for investments purchased	\$ -	\$ 2,980	\$ -
Income taxes payable	6	-	7,373
Compensation payable	32,902	33,919	20,139
Accrued expenses and other liabilities	43,750	47,868	44,320
Sub-total	76,658	84,767	71,832
Subordinated Notes (due June 15, 2023)	-	-	50,935
Total liabilities	76,658	84,767	122,767
Stockholders' equity (a)	149,484	139,054	107,415
Total liabilities and stockholders' equity	<u>\$ 226,142</u>	<u>\$ 223,821</u>	<u>\$ 230,182</u>

(a) Shares outstanding of 25,398; 25,680; and 26,584, 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, 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, and a general downturn in the economy that negatively impacts our operations. 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