



**GAMCO**  
INVESTORS

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### **GAMCO Investors, Inc. Reports Results for the Third Quarter 2022**

- **September 30, 2022 AUM of \$27.6 billion vs. \$28.7 billion at June 30, 2022**
  - **Equity AUM was \$24.9 billion at September 30, 2022 vs. \$26.8 billion at June 30, 2022**
- **Revenues of \$61.9 million vs. \$75.9 million in year ago quarter**
- **Third quarter EPS of \$0.36 per share vs. \$1.09 per share in 2021 bringing 9 month EPS to \$1.66 per share vs. \$2.32 per share in 2021**
- **Ended quarter with \$141.0 million in cash and investments (excluding seed investments) and no debt**
- **\$74 million given to charities since IPO, including \$48 million through our SDCC**

Greenwich, Connecticut, November 7, 2022 – GAMCO Investors, Inc. (“GAMCO”) (OTCQX: GAMI) today reported its operating results for the quarter ended September 30, 2022.

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

Since the inception of GAMCO’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.

#### ***Sustainability Initiatives***

To demonstrate our commitment to being good environmental stewards, we have waived the fees and absorbed all costs on the initial \$100 million in assets in Love Our Planet & People (“LOPP”). LOPP, the first in a series of semi-transparent exchange traded funds (“ETFs”), invests in sustainability-focused companies including those engaged in renewable power generation and transmission, water purification and conservation, and the reduction of long-lived wastes. In addition, we have taken steps to offset our own carbon footprint by installing solar panels and charging stations at our offices.

#### ***Results for the Third Quarter***

In the third quarter, the Company took several steps to position the Company for future growth, including redeeming the remaining \$34 million of subordinated notes issued to shareholders, accelerated the vesting of 253,700 restricted stock awards (“RSAs”), and commencing the process of voluntarily moving the

trading of its shares to the OTCQX which will free up resources for implementing growth strategies, with a focus on technology, client service, and marketing.

<b>Financial Highlights (Unaudited)</b>		
<b><u>U.S. GAAP Basis</u></b>	<b>Three Months Ended</b>	
(In thousands, except per share data)	<b>September 30, 2022</b>	<b>September 30, 2021</b>
Revenues	\$ 61,918	\$ 75,907
Operating income	18,001	40,676
Net income	9,427	29,161
Diluted earnings per common share	\$ 0.36	\$ 1.09
Weighted average diluted shares outstanding	26,370	26,832
Shares outstanding	25,904	27,096
<b><u>Assets Under Management</u></b>		
AUM - end of period (in millions)	\$ 27,633	\$ 33,539
AUM - average (in millions)	29,999	34,625

On October 6, 2022, GAMCO filed Form 15, which suspended the requirement to file Forms 10-Q, 10-K, and 8-K with the SEC, we will continue to file PCAOB audited statements and reports similar to Forms 10-Q, 10-K, and 8-K with the OTC Markets as well as post them to our website.

On October 7, 2022, the Company's shares started trading on the OTCQX under the symbol "GAMI".

### ***Revenues***

- Revenues for the third quarter of 2022 were \$61.9 million compared with \$75.9 million in the third quarter of 2021.
- Investment advisory fees were \$56.2 million in the third quarter of 2022 versus \$69.1 million in the year ago quarter:
  - Fund revenues were \$38.8 million compared to \$48.0 million in the third quarter of 2021.
  - Institutional and Private Wealth Management revenues, which are generally billed on portfolio values at the beginning of the quarter, were \$15.2 million compared to \$19.2 million in last year's third quarter.
  - SICAV revenues were \$2.2 million compared to \$1.9 million in the year ago quarter.
- Distribution fees from our equity mutual funds and other income were \$5.7 million during the third quarter of 2022 and \$6.8 million in the prior year quarter.

### ***Operating Income***

Operating income was \$18.0 million versus \$40.7 million in the third quarter of 2021. We note, on a comparable basis, the acceleration of RSAs during the third quarter of 2022 resulted in an additional \$1.5 million of compensation expense.

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

Mark-to-market investment losses were \$1.8 million in the third quarter of 2022 versus losses of \$1.2 million in the third quarter of 2021. Interest expense was \$0.6 million in the third quarter of 2022 versus \$0.8 million in the third quarter of 2021.

### ***Income Taxes***

GAMCO's effective tax rate ("ETR") for the quarter ended September 30, 2022 was 39.4% versus 24.5% for the quarter ended September 30, 2021.

### ***Balance Sheet***

GAMCO ended the quarter with cash and investments of \$158.5 million.

### ***Business Highlights***

- The Gabelli U.S. Treasury Money Market Fund, which has the lowest cost of any 100% U.S. Treasury money market fund, benefitted from \$868 million of net inflows during the third quarter of 2022 bringing the total assets in the fund to over \$2.7 billion.
- On July 1<sup>st</sup>, Ellsworth Growth and Income Fund (NYSE: ECF) had a \$25 million closing of a private placement of 4.40% Series B Cumulative Preferred Shares.
- On September 8<sup>th</sup>, we hosted our 28<sup>th</sup> Annual Aerospace & Defense Symposium in New York City. The symposium featured leading companies in the Aerospace and Defense industries.

### ***Subsequent to the end of the 3<sup>rd</sup> quarter:***

- 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 will host our Fourth Annual Healthcare Symposium in conjunction with Columbia Business School on November 18<sup>th</sup>.

### ***Return to Shareholders***

During the quarter, GAMCO paid a dividend of \$0.04 per share for a total of \$1.1 million and purchased 491,093 shares for \$8.8 million at an average price of \$17.81 per share. From October 1, 2022 to November 7, 2022, the Company has purchased 75,697 shares at an average price of \$14.62 per share.

On November 7, 2022, GAMCO's board of directors declared a regular quarterly dividend of \$0.04 per share, which is payable on December 27, 2022 to class A and class B shareholders of record on December 13, 2022.

***About GAMCO Investors, Inc.***

GAMCO is known for its research-driven value approach to equity investing (known in the trade as PMV with a Catalyst™). GAMCO conducts its investment advisory business principally through two subsidiaries: GAMCO Asset Management Inc. (approximately 1,400 institutional and private wealth separate accounts, principally in the U.S.) and Gabelli Funds, LLC (24 open-end funds, 14 closed-end funds, 4 actively managed semi-transparent ETFs, and a SICAV). GAMCO serves a broad client base including institutions, intermediaries, offshore investors, private wealth, and direct retail investors. In recent years, GAMCO has successfully integrated new teams of RIAs by providing attractive compensation arrangements and extensive research capabilities.

GAMCO 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. In 1977, GAMCO launched its flagship All Cap Value strategy, Gabelli Value, and in 1986 entered the mutual fund business.

**Table I: Assets Under Management and Fund Flows - 3rd Quarter 2022 (in millions)**

	June 30, 2022	Inflows	Outflows	Market appreciation/ (depreciation)	Fund distributions, net of reinvestments	September 30, 2022	September 30, 2021
Equities:							
Mutual Funds	\$ 8,354	\$ 189	\$ (367)	\$ (482)	\$ (5)	\$ 7,689	\$ 9,856
Closed-end Funds	7,036	25	(43)	(312)	(126)	6,580	8,238
Institutional & PWM (a)	10,569	64	(426)	(375)	-	9,832	13,051
SICAV	886	78	(146)	(33)	-	785	728
Total Equities	26,845	356	(982)	(1,202)	(131)	24,886	31,873
100% U.S. Treasury Money Market Fund	1,836	1,705	(838)	12	-	2,715	1,634
Institutional & PWM Fixed Income	32	-	-	-	-	32	32
Total Treasuries & Fixed Income	1,868	1,705	(838)	12	-	2,747	1,666
Total Assets Under Management	\$ 28,713	\$ 2,061	\$ (1,820)	\$ (1,190)	\$ (131)	\$ 27,633	\$ 33,539

(a) Includes \$184, \$173, and \$178 of 100% U.S. Treasury Fund AUM at June 30, 2022, September 30, 2022, and September 30, 2021, respectively.

Table II

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Investment advisory and incentive fees	\$ 56,215	\$ 69,147	\$ 180,225	\$ 199,502
Distribution fees and other income	5,703	6,760	16,919	19,957
Total revenues	61,918	75,907	197,144	219,459
Compensation costs (a)	29,539	21,965	82,812	83,945
Management fee expense (a)	1,730	-	3,407	5,552
Distribution costs	6,599	7,781	20,416	22,523
Other operating expenses	6,049	5,485	18,282	19,460
Total expenses	43,917	35,231	124,917	131,480
Operating income	18,001	40,676	72,227	87,979
Investment gain/(loss), net	(1,793)	(1,218)	(8,354)	2,735
Interest expense	(648)	(814)	(2,235)	(2,101)
Non-operating gain/(loss)	(2,441)	(2,032)	(10,589)	634
Income before income taxes	15,560	38,644	61,638	88,613
Provision for income taxes	6,133	9,483	17,471	26,401
Net income	\$ 9,427	\$ 29,161	\$ 44,167	\$ 62,212
Net income:				
Basic	\$ 0.36	\$ 1.11	\$ 1.68	\$ 2.36
Diluted	\$ 0.36	\$ 1.09	\$ 1.66	\$ 2.32
Weighted average shares outstanding:				
Basic	26,152	26,222	26,319	26,310
Diluted	26,370	26,832	26,604	26,863
Actual shares outstanding (b)	25,904	27,096	25,904	27,096

(a) The CEO waiver reduced compensation costs by \$0, \$10,063, \$9,909 and \$10,063, respectively, and management fee expense by \$0, \$2,858, \$2,108 and \$2,858, respectively.

(b) Includes 149 and 909 RSA shares at September 30, 2022 and 2021, respectively.

Table III

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

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
<b>ASSETS</b>			
Cash, cash equivalents, and U.S. Treasury Bills	\$ 112,274	\$ 142,027	\$ 152,615
Investments in securities	28,744	20,259	17,737
Seed capital investments	17,464	12,085	11,824
Receivable from brokers	3,241	3,930	4,629
Other receivables	22,569	34,943	28,137
Deferred tax asset and income tax receivable	10,216	6,707	9,058
Other assets	10,718	11,721	12,330
Total assets	<u>\$ 205,226</u>	<u>\$ 231,672</u>	<u>\$ 236,330</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Payable for investments purchased	\$ -	\$ 14,990	\$ 75
Income taxes payable	750	315	2,414
Compensation payable	37,932	21,049	47,767
Accrued expenses and other liabilities	45,094	50,448	45,787
Sub-total	83,776	86,802	96,043
Subordinated Notes (due June 15, 2023)	-	50,990	52,102
Total liabilities	83,776	137,792	148,145
Stockholders' equity (a)	121,450	93,880	88,185
Total liabilities and stockholders' equity	<u>\$ 205,226</u>	<u>\$ 231,672</u>	<u>\$ 236,330</u>

(a) Shares outstanding of 25,904, 26,728, and 27,096, 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 ongoing 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 on Form 10-K 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)***