



GAMCO
INVESTORS

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For Immediate Release:

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GAMCO Investors, Inc. Reports Results for the Second Quarter 2023

- **Second Quarter Fully Diluted EPS was \$0.58 versus \$0.62 for First Quarter 2023**
- **Operating margin of 27.9%**
- **Ending AUM of \$30.7 billion; average AUM of \$30.2 billion**

Greenwich, Connecticut, August 8, 2023 – GAMCO Investors, Inc. (“GAMI”) (OTCQX: GAMI) today reported its operating results for the quarter ended June 30, 2023.

Financial Highlights

<i>(In thousands, except percentages and per share data)</i>	Three Months Ended		\$ Change	% Change
	June 30, 2023	March 31, 2023		
U.S. GAAP				
Revenue	\$ 59,171	\$ 59,906	\$ (735)	-1.2%
Expenses	\$ 42,679	\$ 43,508	\$ (829)	-1.9%
Operating income	\$ 16,492	\$ 16,398	\$ 94	0.6%
Non-operating income (loss)	\$ 3,281	\$ 1,924	\$ 1,357	70.5%
Net income	\$ 14,613	\$ 15,897	\$ (1,284)	-8.1%
Diluted earnings per share	\$ 0.58	\$ 0.62	\$ (0.04)	-6.5%
Operating margin	27.9%	27.4%	N/A	50 bps

Revenue

<i>(In thousands)</i>	Three Months Ended		\$ Change	% Change
	June 30, 2023	March 31, 2023		
Investment advisory and incentive fees				
Fund revenues	\$ 37,480	\$ 37,467	\$ 13	0.0%
Institutional and Private Wealth Management	\$ 15,222	\$ 15,337	\$ (115)	-0.7%
SICAV	\$ 1,704	\$ 2,191	\$ (487)	-22.2%
Total	\$ 54,406	\$ 54,995	\$ (589)	-1.1%
Distribution fees and other income	\$ 4,765	\$ 4,911	\$ (146)	-3.0%
Total revenue	\$ 59,171	\$ 59,906	\$ (735)	-1.2%

- The decrease in total investment advisory and incentive fees from the first quarter 2023 was primarily due to lower average equity assets under management across all three types of investment vehicles.

Expenses

<i>(In thousands)</i>	Three Months Ended		\$ Change	% Change
	June 30, 2023	March 31, 2023		
Compensation	\$ 28,056	\$ 29,186	\$ (1,130)	-3.9%
Management fee	\$ 2,197	\$ 2,036	\$ 161	7.9%
Distribution costs	\$ 6,369	\$ 6,473	\$ (104)	-1.6%
Other operating expenses	\$ 6,057	\$ 5,813	\$ 244	4.2%
Total expenses	<u>\$ 42,679</u>	<u>\$ 43,508</u>	<u>\$ (829)</u>	<u>-1.9%</u>

- Compensation decreased from the first quarter of 2023, primarily due to lower stock compensation of \$0.8 million and lower variable compensation of \$0.4 million, partially offset by higher salaries of \$0.1 million;
- Management fee increased from the first quarter of 2023 by \$0.2 million, as pre-management fee income increased by \$1.6 million;
- Distribution costs decreased from the first quarter of 2023, primarily due to lower average assets under management in open-end funds; and
- Other operating expenses increased from the first quarter of 2023, primarily due to higher meeting expenses of \$0.3 million.

Operating Margin

Operating margin was 27.9% for the second quarter of 2023, compared with 27.4% for the first quarter of 2023. Operating margin represents the ratio of operating income to revenue.

Non-Operating Income

<i>(In thousands)</i>	Three Months Ended		\$ Change	% Change
	June 30, 2023	March 31, 2023		
Gain / (loss) from investments, net	\$ 1,616	\$ 561	\$ 1,055	188.1%
Interest and dividend income	\$ 1,958	\$ 1,661	\$ 297	17.9%
Interest expense	\$ (293)	\$ (298)	\$ 5	-1.7%
Total non-operating income / (loss)	<u>\$ 3,281</u>	<u>\$ 1,924</u>	<u>\$ 1,357</u>	<u>70.5%</u>

Income Taxes

A reconciliation of the company's statutory federal income tax rate and the effective income tax rate is summarized in the following table:

	Three Months Ended	
	June 30, 2023	March 31, 2023
U.S. statutory tax rate	21.0%	21.0%
State income tax, net of federal benefit	2.7	2.1
Other	2.4	(9.9)
Effective income tax rate	26.1%	13.2%

Assets Under Management

(In millions)	As of		% Change
	June 30, 2023	March 31, 2023	
Mutual Funds	\$ 8,271	\$ 8,288	-0.2%
Closed-end Funds	7,195	7,155	0.6%
Institutional & PWM (a) (b)	11,035	10,764	2.5%
SICAV (c)	590	824	-28.4%
Total Equities	27,091	27,031	0.2%
100% U.S. Treasury Money Market Fund	3,596	3,609	-0.4%
Institutional & PWM Fixed Income	32	32	0.0%
Total Treasuries & Fixed Income	3,628	3,641	-0.4%
Total Assets Under Management	\$ 30,719	\$ 30,672	0.2%

(a) Includes \$441 and \$460 of AUM subadvised for Teton Advisors, Inc. at June 30, 2023 and March 31, 2023, respectively.

(b) Includes \$230 and \$224 of 100% U.S. Treasury Fund AUM at June 30, 2023 and March 31, 2023, respectively.

(c) Includes \$579 and \$812 of the SICAV AUM subadvised by Associated Capital Group, Inc. at June 30, 2023 and March 31, 2023, respectively.

Assets under management at June 30, 2023 were \$30.7 billion, unchanged from \$30.7 billion at March 31, 2023. Market appreciation of \$966 million was offset by net outflows of \$787 million and distributions of \$132 million.

Mutual Funds

Assets under management in Mutual Funds at June 30, 2023 were \$8.3 billion, unchanged from March 31, 2023. The details of the quarterly change were as follows:

- Net outflows were \$255 million;
- Market appreciation was \$242 million; and
- Distributions, net of reinvestment, were \$4 million.

Closed-end Funds

Assets under management in Closed-end Funds at June 30, 2023 were \$7.2 billion, unchanged from March 31, 2023. The details of the quarterly change were as follows:

- Net outflows were \$23 million;
- Market appreciation was \$191 million; and
- Distributions, net of reinvestment, were \$128 million.

Institutional & PWM

Assets under management in Institutional & PWM at June 30, 2023 were \$11.0 billion, an increase of 2.5% from the \$10.8 billion at March 31, 2023. The details of the quarterly change were as follows:

- Net outflows were \$231 million; and
- Market appreciation was \$502 million.

SICAV

Assets under management in SICAV at June 30, 2023 were \$0.6 billion, a decrease of 28.4% from the \$0.8 billion at March 31, 2023. The details of the quarterly change were as follows:

- Net outflows were \$221 million; and
- Market depreciation was \$13 million.

100% U.S. Treasury Money Market Fund

Assets under management in 100% U.S. Treasury Money Market Fund at June 30, 2023 were \$3.6 billion, unchanged from the \$3.6 billion at March 31, 2023. The details of the quarterly change were as follows:

- Net outflows were \$57 million; and
- Market appreciation was \$44 million.

Balance Sheet Information

As of June 30, 2023, cash, cash equivalents, and investments were \$193.6 million, compared with \$169.5 million as of December 31, 2022. As of June 30, 2023, stockholders' equity was \$161.4 million, compared with \$139.1 million as of December 31, 2022.

Return to Shareholders

During the second quarter, GAMI paid a dividend of \$0.04 per share for a total of \$1.0 million and purchased 85,834 shares for \$1.6 million at an average price of \$18.98 per share. From July 1, 2023, to August 8, 2023, the Company has purchased 54,255 shares at an average price of \$19.86 per share.

On August 8, 2023, GAMI's board of directors declared a regular quarterly dividend of \$0.04 per share, which is payable on September 26, 2023, to class A and class B shareholders of record on September 12, 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.

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

GAMCO Investors, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)

(in thousands, except per share data)

	Three Months Ended			% Change From	
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022
Revenue:					
Investment advisory and incentive fees	\$ 54,406	\$ 54,995	\$ 60,248		
Distribution fees and other income	4,765	4,911	5,355		
Total revenue	59,171	59,906	65,603	-1.2%	-9.8%
Expenses:					
Compensation	28,056	29,186	24,215		
Management fee	2,197	2,036	365		
Distribution costs	6,369	6,473	6,672		
Other operating expenses	6,057	5,813	6,086		
Total expenses	42,679	43,508	37,338	-1.9%	14.3%
Operating income	16,492	16,398	28,265	0.6%	-41.7%
Non-operating income (loss):					
Gain / (loss) from investments, net	1,616	561	(4,383)		
Interest and dividend income	1,958	1,661	416		
Interest expense	(293)	(298)	(771)		
Total non-operating income / (loss)	3,281	1,924	(4,738)	70.5%	-169.2%
Income before provision for income taxes	19,773	18,322	23,527	7.9%	-16.0%
Provision for income taxes	5,160	2,425	6,241		
Net income	\$ 14,613	\$ 15,897	\$ 17,286	-8.1%	-15.5%
Earnings per share attributable to common stockholders:					
Basic	\$ 0.58	\$ 0.62	\$ 0.66	-7.5%	-13.1%
Diluted	\$ 0.58	\$ 0.62	\$ 0.66	-7.5%	-12.2%
Weighted average shares outstanding:					
Basic	25,358	25,529	26,063		
Diluted	25,358	25,529	26,323		

GAMCO Investors, Inc. and Subsidiaries
Condensed Consolidated Statements of Financial Condition (Unaudited)
(in thousands, except per share data)

	June 30, 2023	December 31, 2022	June 30, 2022
Assets			
Cash, cash equivalents, and U.S. Treasury Bills	\$ 149,153	\$ 66,381	\$ 133,890
Investments in securities	21,476	84,742	25,465
Seed capital investments	22,995	18,347	17,907
Receivable from brokers	2,078	1,932	3,653
Other receivables	20,155	25,839	22,614
Deferred tax asset and income tax receivable	13,650	16,701	9,813
Other assets	11,538	9,879	11,481
Total assets	<u>\$ 241,045</u>	<u>\$ 223,821</u>	<u>\$ 224,823</u>
Liabilities and stockholders' equity			
Payable for investments purchased	\$ -	\$ 2,980	\$ -
Income taxes payable	-	-	282
Compensation payable	36,147	33,919	26,147
Accrued expenses and other liabilities	43,473	47,868	44,613
Sub-total	79,620	84,767	71,042
Subordinated Notes (due June 15, 2023)	-	-	33,691
Total liabilities	79,620	84,767	104,733
Stockholders' equity	161,425	139,054	120,090
Total liabilities and stockholders' equity	<u>\$ 241,045</u>	<u>\$ 223,821</u>	<u>\$ 224,823</u>
Shares outstanding	25,313	25,680	26,395

GAMCO Investors, Inc. and Subsidiaries
Assets Under Management
By investment vehicle
(in millions)

	Three Months Ended			% Changed From	
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022
Equities:					
Mutual Funds					
Beginning of period assets	\$ 8,288	\$ 8,140	\$ 9,824		
Inflows	168	242	230		
Outflows	(423)	(378)	(394)		
Net inflows (outflows)	(255)	(136)	(164)		
Market appreciation (depreciation)	242	288	(1,302)		
Fund distributions, net of reinvestment	(4)	(4)	(4)		
Total increase (decrease)	(17)	148	(1,470)		
Assets under management, end of period	\$ 8,271	\$ 8,288	\$ 8,354	-0.2%	-1.0%
Percentage of total assets under management	26.9%	27.0%	29.1%		
Average assets under management	\$ 8,165	\$ 8,292	\$ 9,071	-1.5%	-10.0%
Closed-end Funds					
Beginning of period assets	\$ 7,155	\$ 7,046	\$ 8,097		
Inflows	1	24	59		
Outflows	(24)	(15)	(12)		
Net inflows (outflows)	(23)	9	47		
Market appreciation (depreciation)	191	233	(981)		
Fund distributions, net of reinvestment	(128)	(133)	(127)		
Total increase (decrease)	40	109	(1,061)		
Assets under management, end of period	\$ 7,195	\$ 7,155	\$ 7,036	0.6%	2.3%
Percentage of total assets under management	23.4%	23.3%	24.5%		
Average assets under management	\$ 7,117	\$ 7,211	\$ 7,611	-1.3%	-6.5%
Institutional & PWM					
Beginning of period assets	\$ 10,764	\$ 10,714	\$ 12,674		
Inflows	66	61	61		
Outflows	(297)	(558)	(297)		
Net inflows (outflows)	(231)	(497)	(236)		
Market appreciation (depreciation)	502	547	(1,869)		
Total increase (decrease)	271	50	(2,105)		
Assets under management, end of period ^(a)	\$ 11,035	\$ 10,764	\$ 10,569	2.5%	4.4%
Percentage of total assets under management	35.9%	35.1%	36.8%		
Average assets under management	\$ 10,628	\$ 11,126	\$ 11,702	-4.5%	-9.2%
SICAV					
Beginning of period assets	\$ 824	\$ 867	\$ 879		
Inflows	48	124	169		
Outflows	(269)	(176)	(90)		
Net inflows (outflows)	(221)	(52)	79		
Market appreciation (depreciation)	(13)	9	(72)		
Total increase (decrease)	(234)	(43)	7		
Assets under management, end of period	\$ 590	\$ 824	\$ 886	-28.4%	-33.4%
Percentage of total assets under management	1.9%	2.7%	3.1%		
Average assets under management	\$ 683	\$ 857	\$ 910	-20.3%	-24.9%
Total Equities					
Beginning of period assets	\$ 27,031	\$ 26,767	\$ 31,474		
Inflows	283	451	519		
Outflows	(1,013)	(1,127)	(793)		
Net inflows (outflows)	(730)	(676)	(274)		
Market appreciation (depreciation)	922	1,077	(4,224)		
Fund distributions, net of reinvestment	(132)	(137)	(131)		
Total increase (decrease)	60	264	(4,629)		
Assets under management, end of period	\$ 27,091	\$ 27,031	\$ 26,845	0.2%	0.9%
Percentage of total assets under management	88.2%	88.1%	93.5%		
Average assets under management	\$ 26,593	\$ 27,486	\$ 29,294	-3.2%	-9.2%

GAMCO Investors, Inc. and Subsidiaries
Assets Under Management
By investment vehicle - continued
(in millions)

	Three Months Ended			% Changed From	
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022
Fixed Income:					
100% U.S. Treasury fund					
Beginning of period assets	\$ 3,609	\$ 2,462	\$ 1,872		
Inflows	931	1,845	1,036		
Outflows	(988)	(732)	(1,074)		
Net inflows (outflows)	(57)	1,113	(38)		
Market appreciation (depreciation)	44	34	2		
Total increase (decrease)	(13)	1,147	(36)		
Assets under management, end of period	\$ 3,596	\$ 3,609	\$ 1,836	-0.4%	95.9%
Percentage of total assets under management	11.7%	11.8%	6.4%		
Average assets under management	\$ 3,618	\$ 3,245	\$ 1,936	11.5%	86.9%
Institutional & PWM Fixed Income					
Beginning of period assets	\$ 32	\$ 32	\$ 32		
Inflows	-	-	-		
Outflows	-	-	-		
Net inflows (outflows)	-	-	-		
Market appreciation (depreciation)	-	-	-		
Total increase (decrease)	-	-	-		
Assets under management, end of period	\$ 32	\$ 32	\$ 32	0.0%	0.0%
Percentage of total assets under management	0.1%	0.1%	0.1%		
Average assets under management	\$ 32	\$ 32	\$ 32	0.0%	0.0%
Total Treasuries & Fixed Income					
Beginning of period assets	\$ 3,641	\$ 2,494	\$ 1,904		
Inflows	931	1,845	1,036		
Outflows	(988)	(732)	(1,074)		
Net inflows (outflows)	(57)	1,113	(38)		
Market appreciation (depreciation)	44	34	2		
Total increase (decrease)	(13)	1,147	(36)		
Assets under management, end of period	\$ 3,628	\$ 3,641	\$ 1,868	-0.4%	94.2%
Percentage of total assets under management	11.8%	11.9%	6.5%		
Average assets under management	\$ 3,650	\$ 3,277	\$ 1,968	11.4%	85.5%
Total AUM					
Beginning of period assets	\$ 30,672	\$ 29,261	\$ 33,378		
Inflows	1,214	2,296	1,555		
Outflows	(2,001)	(1,859)	(1,867)		
Net inflows (outflows)	(787)	437	(312)		
Market appreciation (depreciation)	966	1,111	(4,222)		
Fund distributions, net of reinvestment	(132)	(137)	(131)		
Total increase (decrease)	47	1,411	(4,665)		
Assets under management, end of period	\$ 30,719	\$ 30,672	\$ 28,713	0.2%	7.0%
Average assets under management	\$ 30,243	\$ 30,763	\$ 31,262	-1.7%	-3.3%