

PRESS RELEASE

1H23 RESULTS

**COLLECTIONS AT €760M (+14%) AND NET INCOME UP AT €22.1M (+131%)
ASSETS UNDER MANAGEMENT AT €36.1BN**

- **Assets under Management at €36.1bn (+11% y/y), of which 66% NPLs and 34% UTPs**
- **Double-digit growth (+14% y/y) in collections: €760m in the first half of the year**
- **Collection rate increasing to 4.2% (4.1% in 1H22)**
- **Revenues at €245m (+63% y/y) driven by new portfolios**
- **EBITDA at €165m: +82% y/y with EBITDA margin at 67%**
- **Net income up +131% y/y to €22.1m thanks to higher revenues**
- **Strong capital structure: CET1 at 33.9%**
- **AMCO's long-term and short-term ratings confirmed, with stable outlook: Fitch (BBB/F2) and S&P (BBB/A2)**
- **Consolidated access to capital markets: in early 2023, a €500m 4-year bond was issued with simultaneous repurchase of part (€400m) of the bond due in July 2023**
- **In July the remaining €850m of the bond were repaid at maturity with available liquidity**
- **Sustainability Report 2022 published on a voluntary basis**

Milan, 27 July 2023 - The Board of Directors of [AMCO – Asset Management Company S.p.A.](#) met today and approved the 1H23 results.

The results confirm AMCO's positive trend in profitability in the first half of 2023, with good collections' performance (+14% y/y) achieved through an effective - and at same time sustainable - management model, net income up (+131% y/y) thanks to operating results - with EBITDA up 82% y/y - and after discounting loan provisions.

1H23 RESULTS

Business development

As of 30 June 2023, Assets under Management (AuM) reached €36.1bn (+11% y/y), composed of 66% NPLs and 34% UTPs. In terms of operational mix, 70% of the volumes are managed in-house and 30% in outsourcing.

The change in AuM reflects the natural portfolio dynamics as well as purchase agreements signed in the first half of the year, following competitive processes, totalling **€0.8bn** of loans¹.

The **Cuvée Project** reached **€2.3bn² in gross Assets under Management**, confirming the success of the first multi-originator platform launched in late 2019 to manage UTPs in the real estate sector.

In the first six months of 2023 **AMCO successfully managed positions** in several sectors. Among the most significant ones, in the real estate sector, was the support to the new **recovery plan** of the shopping centre *Vulcano Buono*, extending the debt maturities and agreeing to the investments to revamp the facilities, together with the other creditors, providing the area of Nola (Naples) with an important multi-functional space. Deals closed in the first half of the year also include an extra-judicial solution aimed at accelerating the transformation of the industrial area of *Bagnoli* (Naples), former Italsider, into an urban park.

Moreover, in the hotellerie sector, AMCO supported the reorganisation of *Maritalia* (Foggia), following the takeover by the new shareholder, becoming the only lender, with the refinancing and **provision of a new credit line** for the development of the hotel facility.

Operating activities - Collections

In the first half of the year, **collections** showed a double-digit **growth** (+14% y/y), totalling €760m, versus €667m in the same period of the previous year.

The annualised collection rate³ in the first half of 2023 reached 4.2% (4.1% in the first half of 2022), confirming increased collection capabilities. Growth is linked to the strong performance (+67% y/y) of the Workout Division (NPLs) and collections related to big tickets.

The UTP Division recorded a decline in collections (-9% y/y) attributable to lower assets under management versus the first half of 2022 due to natural portfolio dynamics; the effectiveness of loan management is confirmed by the UTP Division's collection rate, which stood at 6.1% (6.0% in 1H22).

¹ The main purchases finalised in the half-year were c. €430m (GBV) from BPER Group and c. €390m (GBV) from 78 banks belonging to the BCC Iccrea Group.

² As of 30 June 2023; calculated net of 1H23 collections and pro-forma for loans (€0.3bn) contributed in July.

³ Annualised collection rate calculated as the ratio of collections to (monthly) average GBV for the period.

The solid performance of collections and of the collection rate was accompanied by a collaborative and sustainable credit management approach: **in fact, 94% of collections from UTPs result from extra-judicial activities, as well as 43% of collections from NPLs and 64% of collections from SMEs and private individuals.**

Results as of 30.06.2023

Net income as of 30 June 2023 was €22.1m, up 131% versus €9.6m in the first half of 2022 due to business growth, net of provisions for the lengthening of the expected recovery of a single-name file related to a multi-year project.

EBITDA (€164.6m) was up 81.7% y/y versus €90.6m in the first half of 2022. This trend reflects an increase in revenues mainly related to interest income from new portfolios. **EBITDA margin** stood at 67%.

Income statement – Main items

Revenues grew (+63.1% y/y) to €245m, with revenues from investments accounting for 92% of the total. The remaining revenues originated from servicing activities. Servicing fees dropped slightly due to the natural dynamics of the off-balance portfolios of the former Veneto Banks, only partially offset by the fees related to the Cuvée fund.

Interest income reached €173.6m (+72.5% y/y), mainly due to the contribution of new portfolios.

Other income/expenses from operating activities – which refer to cash recoveries (all cash-based) – rose sharply (+85% y/y) and are related to collections exceeding expected recovery plans.

Total costs amounted to €80.4m, up 34.9% y/y. In detail, net operating costs stood at €56.2m, up 40.1% y/y, due to increased legal and debt collection expenses, IT costs, inflationary dynamics, and higher outsourcing fees related to recoveries on the portfolio managed by external servicers.

Personnel expenses amounted to €24.2m (+24.3% compared to 1H22) due to an increase in headcount aimed at strengthening business, control and support functions, while maintaining high levels of operational efficiency.

As of 30 June 2023, AMCO's employees were 413, 53 more than in the first half of 2022. 67% of staff is employed in business roles and the remaining 33% in central functions. Females account for 41% of total staff.

€/m	1H22	1H23	% change
Servicing fees	21.8	20.1	-8.2%
Interest income	100.7	173.6	72.5%
Other income/expenses from operating activities	27.7	51.3	85.2%
Total revenues	150.2	245.0	63.1%
Personnel expenses	(19.4)	(24.2)	24.3%
Net operating costs	(40.1)	(56.2)	40.1%
Total costs	(59.6)	(80.4)	34.9%
EBITDA	90.6	164.6	81.7%
EBITDA margin	60.3%	67.2%	<i>n.m.</i>
Net impairment gains/losses	(42.9)	(80.0)	<i>n.m.</i>
Depreciation and amortisation	(2.1)	(2.7)	27.7%
Provisions	(0.1)	(0.1)	<i>n.m.</i>
Other operating income/expenses	9.3	(4.7)	<i>n.m.</i>
Net result from financial activities	(7.7)	1.5	<i>n.m.</i>
EBIT	47.1	78.7	67.2%
Interests and fees from financial activities	(31.5)	(45.5)	44.3%
Pre-tax income	15.6	33.2	113.6%
Income taxes	(6.0)	(11.1)	86.1%
Net income	9.6	22.1	130.6%

EBIT stood at €78.7m. Net impairment gains/losses (-€80m) reflect provisions for the lengthening of the expected recovery of a single-name file related to a multi-year project. **Interest from financial activities** (€45.5m) increased by 44.3% compared to the first half of 2022 due to both an increase in debt outstanding and the growth in market rates that affected recent bond issuances (September 2022 and January 2023).

Income **taxes** stood at €11.1 million.

Balance sheet

The balance sheet structure proved once again solid. Loans to customers were €4,981m, up 13.5% versus June 2022 due to purchases mainly in the second half of 2022.

Cash and cash equivalents, including cash and Italian Government bonds, reached €1,067m, showing a €249m increase versus the first half of 2022, thanks to the cash generated by business operations. The excess cash is invested in Italian Government bonds accounted at Fair Value.

Financial assets stood at €500m and mainly consisted of the stake in the Italian Recovery Fund (IRF).

Financial liabilities as of 30 June 2023 amounted to €4,275m and consisted of unsecured bonds issued under the Euro Medium Term Note Programme (EMTN), with a maximum total amount of €6bn. The company has in place a Commercial Paper program with a maximum total amount of €1bn, currently unutilised.

The Net Financial Position (NFP)⁴ is -€3,184m, improved from -€3,377m at the end of 2022, thanks to the cash generated by business operations and after the payment of new portfolios acquired in 1H23.

€/m	1H22	FY22	1H23
Loans to customers	4,389	5,031	4,981
Cash and cash equivalents	818	733	1,067
Financial assets	622	572	500
Other assets	285	268	250
Total assets	6,115	6,605	6,798
Financial liabilities	3,635	4,134	4,275
Tax liabilities	4	4	4
Provisions for specific purposes	19	16	14
Other liability items	91	72	93
Net equity (of which)	2,366	2,378	2,413
<i>Share capital</i>	<i>655</i>	<i>655</i>	<i>655</i>
<i>Share premiums</i>	<i>605</i>	<i>605</i>	<i>605</i>
<i>Reserves</i>	<i>1,148</i>	<i>1,142</i>	<i>1,184</i>
<i>Valuation reserves</i>	<i>(52)</i>	<i>(66)</i>	<i>(53)</i>
<i>Net income</i>	<i>10</i>	<i>42</i>	<i>22</i>
Total liabilities and net equity	6,115	6,605	6,798

Net equity as of 30 June 2023 totalled €2,413m.

CET1 ratio stood at 33.9%⁵, with Total Capital ratio also standing at 33.9%⁵, as there are no subordinated bonds outstanding on the balance sheet. The very solid capital structure ensures the management of potential risks while providing flexibility for further business expansion.

⁴ Calculated as: debt securities in issue less cash and cash equivalents.

⁵ Managerial figure.

The Net Debt (NFP)/Equity ratio is at 1.3x.

SIGNIFICANT EVENTS DURING THE PERIOD

New €500m 4-year senior unsecured bond issuance and Liability Management exercise

On 30 January 2023, AMCO [successfully issued a €500m 4-year senior unsecured bond](#) due 6 February 2027. The new issuance was announced in conjunction with [a Liability Management exercise](#) in relation to the notes due 17 July 2023, that was successfully completed on 6 February with the repurchase of €400m, equal to the maximum acceptance value.

In July 2023, part of the available liquidity was used for the repayment of the remaining €850m of the maturing bond (17 July 2023), thus reducing the bonds outstanding in the market by the same amount.

Fitch and S&P confirmed AMCO's "BBB" rating with stable outlook

On 20 April 2023, **Fitch Ratings** confirmed AMCO's long-term "BBB" rating of and short-term "F2" rating, with a stable outlook.


On 29 May, **S&P Global** confirmed the long-term rating at "BBB" with stable outlook and the short-term rating at "A-2".

The Shareholders' Meeting approved 2022 Financial Statements and appointed the Board of Directors

AMCO's Ordinary Shareholders' Meeting, that met on 20 June 2023, approved 2022 Financial Statements and appointed the new Board of Directors, increasing the number of members from 3 to 5: Giuseppe Maresca -Chairman of the Company-, Andrea Munari -Chief Executive Officer-, Antonella Centra, Ezio Simonelli and Silvia Tossini. The term of office of the Board of Directors will end with the approval of the 2025 Financial Statements.

DECLARATION BY THE EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS

I, the undersigned, Luca Lampugnani, in my capacity as executive responsible for the preparation of corporate accounting documents, hereby declare, in accordance with paragraph 2, Article 154-bis of the Testo Unico della Finanza (Italian Consolidated Law on Financial Intermediation), that the accounting information disclosed in this press release reflects documentary evidence, accounting entries and other records of the company.



AMCO – Asset Management Company S.p.A.

With €36.1 billion of NPEs at the end of June 2023, of which €12.2 billion of UTPs related for 74% to over 40,000 Italian companies, coupled with a 20-year track record (as SGA), AMCO is a leading company in the management of impaired loans, a reference point in the NPE market in Italy, serving the country and the real economy.

Controlled by the Ministry of Economy and Finance, it is a full-service credit management company operating in the market. Supervised by the Bank of Italy and “Corte dei Conti” as well as subject to the control of its transactions by the Directorate General for Competition (DGComp), which acts at EU level, AMCO operates according to a flexible, innovative business model that respects debtors, creditors, originating banks, bondholders and individuals.

The management approach is designed to avoid creating financial and reputational stress and is aimed at promoting business sustainability, including by directly providing new financing to support business continuity and industrial relaunch, so as to put back into circulation resources and energies for the benefit of the country’s economic system.

Thanks to a diversified management strategy tailored for NPLs and UTPs and the competences and specialised skills of its 413 professionals operating in Milan, Naples and Vicenza, AMCO fully addresses all phases of the NPE management process and any type of portfolio, even the largest, thanks to its effective and flexible operating structure.

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PROFIT AND LOSS

Items	30.06.2022	30.06.2023
10. Interest and similar income	100,501,782	178,426,378
of which: net interest income calculated with the effective interest method	99,420,845	
20. Interest and similar expenses	(33,057,572)	(51,478,176)
30. Interest margin	67,444,210	126,948,202
40. Fee and commission income	23,606,375	21,304,434
50. Fee and commission expense	(53,830)	(8,817)
60. Net fees and commissions	23,552,545	21,295,617
70. Dividends and similar revenues	838,515	1,328,918
80. Trading activity net result	15,786,233	(45,487)
100. Profit/loss on sale/repurchase of:		(1,802,976)
a) financial assets measured at amortised cost		(940,973)
b) financial assets measured at fair value through other comprehensive income		(990,026)
c) financial liabilities		128,023
110. Net result of other financial assets and liabilities measured at fair value through profit and loss	(7,639,273)	(1,174,715)
a) financial assets and liabilities measured at fair value		
b) other financial assets mandatorily measured at fair value	(7,639,273)	(1,174,715)
120. Brokerage margin	99,982,230	146,549,559
130. Net value adjustments/reversals for credit risk of:	(16,218,956)	(25,928,461)
a) financial assets measured at amortised cost	(15,779,920)	(26,178,449)
b) financial assets measured at fair value through other comprehensive income	(439,036)	249,988
150. Net result of financial management	83,763,274	120,621,098
160. Administrative expenses:	(64,248,584)	(84,540,733)
a) staff costs	(19,446,293)	(24,170,578)
b) other administrative expenses	(44,802,291)	(60,370,155)
170. Net provisions for risks and charges	(128,123)	(84,574)
a) commitments and guarantees issued		
b) other net provisions	(128,123)	(84,574)
180. Net value adjustments/reversals on property, plant and equipment	(1,769,339)	(1,433,143)
190. Net value adjustments/reversals on intangible assets	(377,559)	(1,131,223)
200. Other operating income/expenses	(1,681,083)	(130,800)
210. Operational costs	(68,204,688)	(87,320,473)
230. Net result of the measurement at fair value of property, plant and equipment and intangible assets		(74,000)
260. Profit (Loss) of current operating activities before taxes	15,558,586	33,226,625
270. Income taxes for the year on current operating activities	(5,966,997)	(11,106,254)
280. Profit (Loss) of current operating activities after taxes	9,591,589	22,120,371
290. Profit (Loss) from discontinued operations after taxes		
300. Profit (Loss) for the year	9,591,589	22,120,371

BALANCE SHEET ASSETS

Assets items	30.06.2022	31.12.2022	30.06.2023
10, Cash and cash equivalents	111,522,067	46,826,299	217,076,380
20, Financial assets measured at fair value through profit and loss	620,071,877	571,520,635	543,333,571
a) financial assets held for trading	28,121	23,411	20,952
b) financial assets measured at fair value	-	-	-
c) other financial assets mandatorily measured at fair value	620,043,756	571,497,224	543,312,619
30, Financial assets measured at fair value through other comprehensive income	708,899,199	687,013,261	548,991,678
40, Financial assets measured at amortised cost	4,389,046,320	5,031,060,745	5,239,039,872
a) loans and receivables with banks	-	14,431,403	301,075,140
b) loans and receivables with financial companies	64,922,756	77,690,824	72,399,444
c) loans and receivables with customers	4,324,123,564	4,938,938,518	4,865,565,288
50, Hedging derivatives	-	-	-
60, Change in value of financial assets object of a generic hedge (+/-)	-	-	-
70, Equity investments	9,826	9,826	20,604
80, Property, plant and equipment	28,908,515	27,391,462	30,146,892
90, Intangible assets	3,477,767	3,975,046	3,453,086
of which	-	-	-
- goodwill	-	-	-
100, Tax assets	215,995,626	197,686,288	177,425,728
a) current	17,946,013	11,879,314	10,272,786
b) deferred	198,049,613	185,806,974	167,152,942
110, Non-current assets and groups of assets held for disposal	-	-	-
120, Other assets	36,775,952	39,198,187	38,874,604
Total assets	6,114,707,149	6,604,681,749	6,798,362,415

BALANCE SHEET
LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities and shareholders' equity items		30.06.2022	31.12.2022	30.06.2023
10,	Financial liabilities measured at amortised cost	3,635,415,268	4,133,630,725	4,274,676,866
	a) payables	26,141,932	23,087,471	62,655,481
	b) debt securities issued	3,609,273,336	4,110,543,254	4,212,021,385
20,	Financial liabilities held for trading	179,412	71,225	51,277
30,	Financial liabilities measured at fair value			
40,	Hedging derivatives			
50,	Change in value of financial liabilities object of a generic hedge (+/-)			
60,	Tax liabilities	3,500,592	4,307,176	4,301,380
	a) current	197,584	1,705,796	1,700,000
	b) deferred	3,303,008	2,601,380	2,601,380
70,	Liabilities associated to assets held for disposal	-		
80,	Other liabilities	90,838,875	72,322,878	92,838,648
90,	Staff severance indemnity	455,809	449,568	449,229
100,	Provisions for risks and charges	18,613,199	15,876,655	13,472,215
	a) commitments and guarantees issued	-		
	b) pensions and similar obligations	167,261	168,255	191,272
	c) other provisions for risks and charges	18,445,938	15,708,400	13,280,943
110,	Share capital	655,153,674	655,153,674	655,153,674
120,	Treasury shares (-)	(72,294)	(72,294)	(72,294)
130,	Equity instruments	-		
140,	Share premiums	604,552,228	604,552,228	604,552,228
150,	Reserves	1,148,474,308	1,141,970,428	1,184,224,883
160,	Valuation reserves	(51,995,511)	(65,834,969)	(53,406,062)
170,	Profit (Loss) for the year	9,591,589	42,254,455	22,120,371
180,	Non-controlling interests			
	Liabilities and net equity	6,114,707,149	6,604,681,749	6,798,362,415