

PRESS RELEASE

“MADE IN AMCO”: STRATEGIC PLAN 2025

*The Strategic Plan envisages a **diversified growth strategy** with the goal of **creating new business opportunities together with our partners to respond to new market scenarios.***

*The Strategic Plan 2025 **integrates Sustainability into AMCO's entire value chain and identifies the four pillars of AMCO's GSSE strategy.***

- **Diversified growth strategy: €7.5 billion in new investments by 2025, with a balanced mix between NPLs and UTPs**
- **Launch of innovative projects with strategic partners: €1.5 billion in multi-originator funds**
- **GLAM platform for the management of post-Covid guaranteed loans: forecasted €2.9 billion under management by AMCO, as well as €8.2 billion under management by Special Servicers by 2025, benefitting all stakeholders**
- **Confirmed solid cash generation and a solid capital structure over the entire plan.**
- **From ESG to the four GSSE Pillars: sustainable Governance, Sustainable Credit Management, Sustainable Development of Human Capital and Environmental Protection**
- **Defined targets supporting sustainable credit management: at least 25% of NPL collections and 85% of UTP collections to come from a collaborative approach**
- **55% reduction in GHG emissions from operations by 2025, ahead of future regulations**

Milan, 15 December 2022 – The Board of Directors of [AMCO – Asset Management Company S.p.A.](#), today, approved the Strategic Plan 2025 “made in AMCO” which is based on:

- the creation of new business opportunities with partners, with a diversified growth strategy which includes new investments and the launch of innovative projects in response to new market scenarios;
- the integration of sustainability and ESG criteria along AMCO's entire value chain.

*«Our ambition is to create new business opportunities through solutions that favour all stakeholders, sharing perspective and innovation with our partners. The outlined path confirms our DNA: we integrate ESG criteria into the entire value chain», said **Stefano Cappiello, AMCO's Chairperson.***

*«Sustainability for AMCO means steering companies along a path to recovery, with a tailored approach that respects the client and is always focused on finding collaborative and sustainable solutions. AMCO's Sustainability strategy is based on four pillars, GSSE: sustainable Governance, Sustainable Credit Management, Sustainable Development of Human Capital, Environmental Protection. All this while pursuing profitability targets for the company», explains **Marina Natale, AMCO's CEO.***

Creation of new business opportunities together with partners

The Strategic Plan 2025 confirms AMCO's ability to respond with innovative solutions to new credit management scenarios. In the coming years, AMCO will pursue a diversified growth strategy both as investor and as servicer. The launch of innovative projects is envisaged together with its business partners, in line with AMCO's business model based on in-house/outsourcing credit management.

On the investment side, the plan envisages **€7.5 billion in acquisitions of new portfolios by 2025**. The goal is to maintain a **balanced mix between NPLs and UTPs**: the focus will shift to medium-small tickets to follow the evolution of the credit management market.

Alongside the investment activities, AMCO will structure new projects in partnership with other market players and these include:

- the creation of **multi-originator funds for a total of €1.5 billion** AuMs dedicated to specific sectors, geographic areas or particular categories of struggling businesses, in order to facilitate their relaunch. The initiatives will see the involvement of strategic partners who will support the relaunch of struggling business categories;
- the set-up of the **GLAM platform**, for which it is forecasted a total contribution of €11.1 billion¹, of which €2.9 billion under management by AMCO, as well as €8.2 billion under management by Special Servicers by 2025. The project envisages the creation of segregated accounts to manage loans guaranteed by the Italian Central Guarantee Fund

¹ Target of around €12 billion in disposals of loans in the 2023-2026 period, of which €11,1 billion by 2025.

(Fondo Centrale di Garanzia), which were provided to companies under the Temporary Framework following the Covid-19 pandemic. The platform will provide benefits for all stakeholders involved: for banks through the deconsolidation of loans, for the State through better management of loan guarantees, for companies through supporting their business continuity and for Special Servicers through their involvement in a systemic project.

Consequently, **Assets under Management** are expected to **grow from €36.5 billion** at the end of 2022² to **€38.2 billion in 2025**, or €44.6 billion including AuMs relating to the GLAM platform managed by the Special Servicers. The “management” mix will see an increase in volumes managed in outsourcing from 28% at the end of 2022 to 40% at the end of 2025.

The collection rate is expected to increase from around 4.5% – forecast for year end 2022 – to 7.2% in 2025, including collections relating to the GLAM platform.

Main targets for 2025

Revenues are forecast to **grow annually by 15.4% between 2021-2025, to €545 million in 2025** (€307 million in 2021). This trend is influenced by the business expansion projects and higher growth in revenues from servicing activities due to new initiatives envisaged in the Plan.

EBITDA is expected to rise by 12.4% annually between 2021-2025, reaching **€297 million** (€186 million in 2021) and includes new **IT investments** linked to optimising systems to support portfolio management (data analytics), industrialising processes and developing the GLAM platform. The **EBITDA margin** by end 2025 will be over 50%.

The Plan envisages solid cash generation with a Cash EBITDA of €1 billion in 2025, i.e. double the figure of 2021 (€0.5 billion in 2021), supported by the positive trend in collections. Cash generation will enable financing new investments and will allow AMCO to refinance only a part (around €1 billion) of debt maturities in the capital market.

The capital structure is confirmed as being strong, with a **CET1 ratio at 38.5% at the end of 2025** (37% in September 2022), well above the regulatory minimum requirements, and a NFP³/equity ratio in 2025 of 1.0 x.

² Estimate based on managerial data.

³ Net Financial Position.

During the three-year period a staff recruitment plan is envisaged, to manage new flows and the set-up of GLAM. AMCO's people are forecast to increase to **559 employees at the end of 2025**, compared to 368 at the end of September 2022.

Euro/million	FY21	FY25	CAGR 21-25 (%)
Total Revenues	307	545	15.4%
of which Revenues from servicing activities	47	113	24.7%
of which Revenues from investing activities	261	433	13.5%
Total Costs	(121)	(248)	19.6%
EBITDA	186	297	12.4%
<i>EBITDA margin</i>	61%	54%	-7p.p.
Cash EBITDA (€/bn)	0.5	1.0	17.7%

Euro/billion	9M22	FY25
Equity	2.4	2.6
NFP/Equity	1.2 x	1.0 x
CET1 ratio	37%	38.5%

From ESG to GSSE: the four pillars of «made in AMCO» sustainability

AMCO undertook a thorough process aimed at defining its sustainability strategy through discussions with all stakeholders. This enabled the identification of key themes in the environmental (E), social (S) and governance (G) sphere. As a result, the classic ESG areas have been reorganised according to AMCO's priorities in a new acronym: **GSSE**.

«made in AMCO» Sustainability is characterised by: sustainable **Governance**, a strong focus on the social sphere which includes two of the four pillars - **Sustainable Credit Management** and **Sustainable Development of Human Capital** – and the commitment to **Environmental Protection**.

All four pillars are inspired by the **Sustainable Development Goals (SDGs)** to help contribute to achieve **the United Nations'** sustainability goals.

The 4 pillars and the related goals are described in the [Sustainability Report](#).

G: Governance: “we operate with integrity and fairness”

AMCO’s governance today includes the Stakeholder Engagement and Sustainability function as well as a “ESG & Sustainability” managerial Committee with proposal and advisory functions to the Board of Directors, in order to promote the integration of ESG best practices into corporate governance and business strategies, as well as in managing risks. The company is committed to training all employees in anti-corruption, anti-money laundering and privacy policies starting from 2022. 10% of management remuneration (through the LTI plan) has been aligned to ESG criteria since 2022. AMCO undertakes to share the ESG criteria with the key suppliers and the Special Servicers with which it works in partnership.

S: Sustainable Credit Management: “we create future value” with “sustainable management”

AMCO adopts a collaborative approach to credit recovery, respecting clients and seeking extra-judicial solutions respectful of the client’s needs.

In September 2022, AMCO published its Value Charter, which includes Vision, Mission, the Code of Ethics and the [10 Principles of credit management](#) which establish, for both employees and partners, the guidelines to operate correctly. Under the new GSSE strategy, AMCO established specific sustainable management goals for all its business lines. The targets defined envisage that at least 25% of NPL cash collections - and at least 85% of UTP collections - come from a collaborative approach; in addition to that, at least 50% of cash collections from SMEs and private individuals will come from a collaborative approach. It is also envisaged to integrate ESG criteria in the risk assessment and risk management of the credit portfolios, and the integration of monitoring systems and ESG risk management within the Risk Framework.

AMCO undertakes to contribute to the financial education of corporates by promoting at least two financial training initiatives annually between 2023 and 2025, to further disseminate awareness of the adequate level of financial leverage, above all for SMEs, which often have access to limited forms of financing.

S: “we grow together” for the Sustainable development of our human capital

To maximise the value of its people AMCO has set two objectives: 1) to develop the wellbeing, skills and satisfaction of employees; and, 2) to protect diversity and inclusion. Besides the training plans (also regarding ESG) and the creation of targeted career paths, the company has already

accepted 100% of part-time requests and adopts flexible work options such as smart working, aimed at a suitable work-life balance. The portfolio of welfare services for employees has recently been enhanced.

In terms of Diversity and Inclusion, besides launching awareness campaigns, AMCO undertakes to guarantee gender-neutral access to internal career and growth paths and to maintain a balanced and inclusive workforce. Out of 368 employees, 61% are men and 39% women. The average age in AMCO is 43.

E: “we respect our future”, i.e. Environmental protection

As part of the process of defining the Plan, the carbon footprint was mapped to identify AMCO's GHG⁴ emissions. The goal is to cut GHG emissions from operations by 55% by 2025, five years ahead of the regulatory deadlines⁵. As from 2023, all of AMCO's electricity supplies will come from certified renewable energy sources. In addition, by the end of 2022, the heating systems in the Milan and Naples offices will be powered by electric heat pumps, thus significantly cutting emissions.

In order to cut emissions and reduce energy costs, it has also been arranged to close offices on days with high traffic intensity, over long weekends and winter holidays and in the week with the lowest temperatures.

By the end of 2023 all cars in the corporate fleet will have a low environmental impact (hybrid engines).

Monitoring and reporting

All four pillars consist of macro-objectives which are broken down into specific **quantitative targets** for 2022-2025. AMCO undertakes to transparently communicate the path to achieving the set targets as published in the Sustainability Report, together with the actions already taken and results achieved.

⁴ GHG: Greenhouse Gases, i.e. all the gases that can trap heat in the atmosphere, causing the so-called greenhouse effect.

⁵ The [European Climate Law](#) encodes the EU's commitment in favour of climate neutrality and the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. This commitment by the EU was [communicated to the UNFCCC](#) in December 2020 as the EU's contribution to achieving the goals of the Paris Agreement.



AMCO – Asset Management Company S.p.A.

With €36.2 billion of pro-forma NPEs at the end of September 2022, of which €13.2 billion of UTPs related for 75% to over 41 thousand 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.

Owned by the Ministry of Economy and Finance, AMCO 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), 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 granting new financing to support business continuity and industrial turnaround, so as to re-inject resources and energy into the system for the benefit of the country’s economy.

Thanks to a diversified management strategy encompassing NPLs and UTPs and to the skills and expertise of its 368 professionals operating in Milan, Naples and Vicenza, AMCO fully addresses the process of managing impaired loans and any kind of portfolio, including large ones, relying on an effective and flexible operating structure.

<p>AMCO - Asset Management Company Spa Media & Investor Relations Tel. + 39 02 94457 511 Investor.Relations@amco.it</p>	<p>Press Office SEC Newgate Tel. +39 02 6249991 amco@segrp.com</p>
--	---