

New Senior Unsecured Transaction

Fixed Income Investor Presentation

September 2022



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Investment Highlights



With **€34.1 billion of NPEs, including** €13.9 billion of UTPs related for 75% to 42 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



Ownership and control by the Ministry of Economy and Finance (99.78%). 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



1H22 EBITDA up to €90.6 million (+1% y/y), thanks to **revenue growth** offsetting **higher costs** to files that will provide future collections.

Strong and simple balance sheet coupled with a **very solid capital position** (1H22 CET1 *ratio* at **36.2%**)



AMCO is now a **regular and well established bond issuer** with a **liquid and populated outstanding curve**



Envisaged new bond issuance

- Full IG ratings: **BBB by S&P and BBB by Fitch**
- Size: **limited to €500 million** since the outset
- **Short duration: 3.5Y**, well fitting the outstanding curve
- Offering a **premium vs. BTP**

Indicative and Preliminary Termsheet

Issuer:	AMCO – Asset Management Company S.p.A. (Ticker: AMCOSP)
Issuer LEI:	815600188E751D28E867
Issuer Ratings:	BBB (Stable) / BBB (Stable) by S&P / Fitch
Exp. Issue Ratings:	BBB / BBB by S&P / Fitch
Status:	Senior Unsecured, Unsubordinated
Format:	Reg S, Bearer, NGN, Tefra D
Size:	Euro 500mln (no-grow)
IPTs:	BTPS 0.5% 01/02/2026 + 140bps area (Equiv. to MS+ 188bps)
Coupon:	Fixed, Annual (Short First Coupon), Actual/Actual (ICMA)
Pricing Date:	20 September 2022
Settlement:	27 September 2022 (T+5)
Maturity:	27 March 2026 (3.5 years)
Denominations:	Euro 100k and Euro 1k thereafter
ISIN:	XS2502220929
Listing:	Luxembourg Stock Exchange's Regulated Market
Documentation:	Issuer's EMTN Programme dated 16 September 2022
Call Options:	1m Par Call / MWC / Clean-Up Call (80%)
Selling Restrictions:	As per EMTN Base Prospectus
Joint Lead Managers:	Deutsche Bank (B&D), IMI-Intesa Sanpaolo, Mediobanca, Morgan Stanley and Santander
UoP:	General Corporate Purposes
Advertisement:	This communication is an advertisement for the purposes of Regulation (EU) 2017/1129 and underlying legislation. It is not a prospectus. The Base Prospectus and any supplements are available at https://www.bourse.lu/issuer/AMCO/88543 and any Final Terms, when published, will be available at https://www.bourse.lu/issuer/AMCO/88543
Timing:	Books open, Today's business
Target Market:	MiFID II and UK MiFIR eligible counterparties and professional clients only (all distribution channels). No EU PRIIPs or UK PRIIPs key information document (KID) has been prepared as not available to retail in EEA or in the United Kingdom

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We have a 20-year track record in credit management and we are experiencing strong growth

Business

We are a credit servicer (i.e. a financial intermediary pursuant to Art. 106 of the Italian TUB¹) offering innovative solutions for NPEs in Italy

We manage €34.1billion NPEs, including €13.9billion UTPs related for 75% to over 42 thousand Italian corporates²

People

Our 360³ highly motivated professionals have a wide range of skill sets

Our
DNA



Rating

We are rated investment-grade by Standard & Poors (BBB) and Fitch (BBB)

We received a Special Servicer rating from Fitch (RSS2, CSS2, ABSS2)

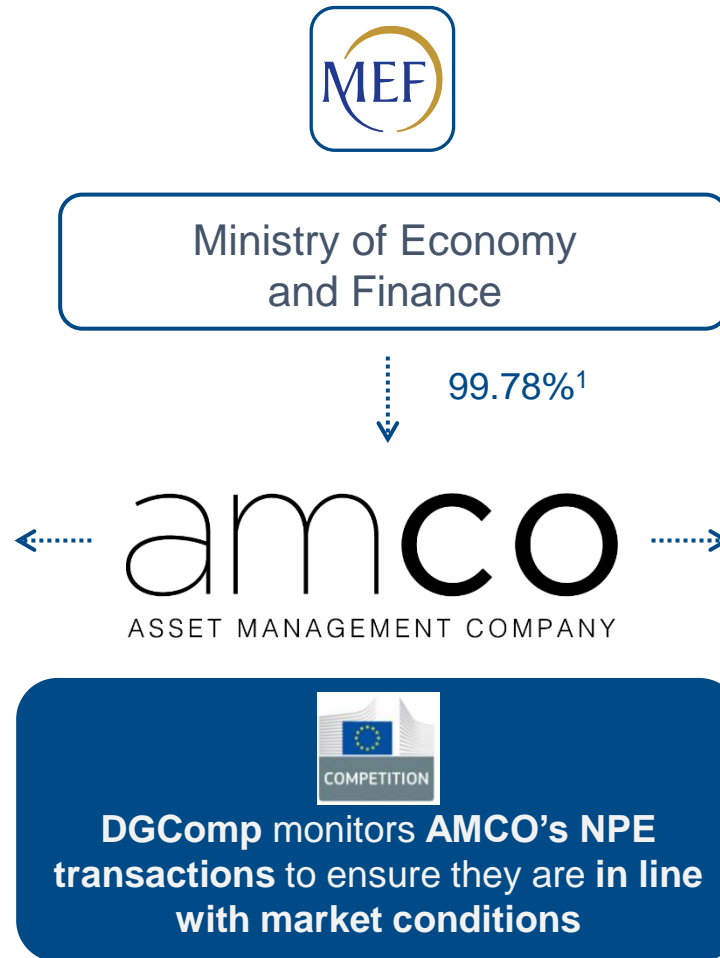
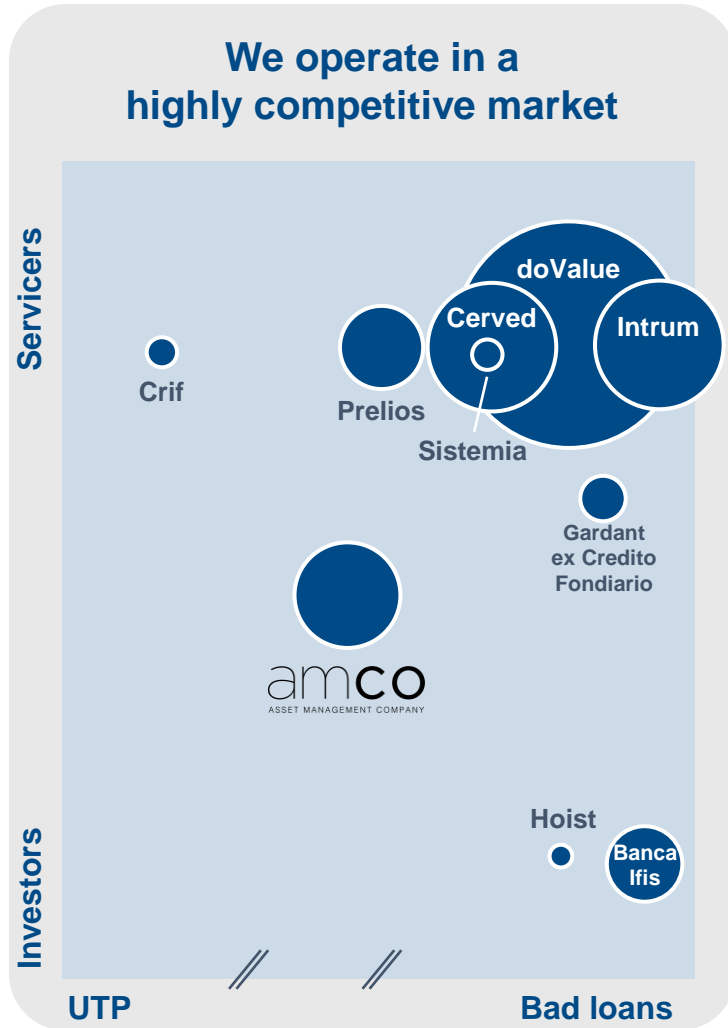
Financial Structure

We are listed on the bond market. We are solid, with a strong capital position

Execution capabilities
We successfully carry out complex transactions

1. Testo Unico Bancario
2. Figures as of 1H22 – AuM pro-forma for the acquisitions of former Intesa Sanpaolo leasing and single name portfolios. The underlying contracts have been signed but are expected to become effective by the second half of 2022.
3. Resources employed in Italy as of end of June 2022.

We operate in a competitive market and our business is regulated



Our business activity is regulated and supervised

The Bank of Italy regulates and supervises all financial intermediaries pursuant to Art. 106 of the Italian TUB²

We are subject to supervision by the Italian Court of Auditors

The Italian Court of Auditors oversees the financial management of AMCO

We play a central role in Italy's NPE market

DEBTORS (WORKOUT)

In managing portfolios we show the utmost respect for client/debtors to avoid generating financial stress



CREDITORS (UTP)

We manage positions with the aim of ensuring business continuity



OUR MISSION is to play a central role in Italy's NPE market for our stakeholders



SELLING BANKS

We manage all aspects of the onboarding processes



BONDHOLDERS

Our policy is one of maximum transparency, ensuring liquidity for our bonds



PEOPLE

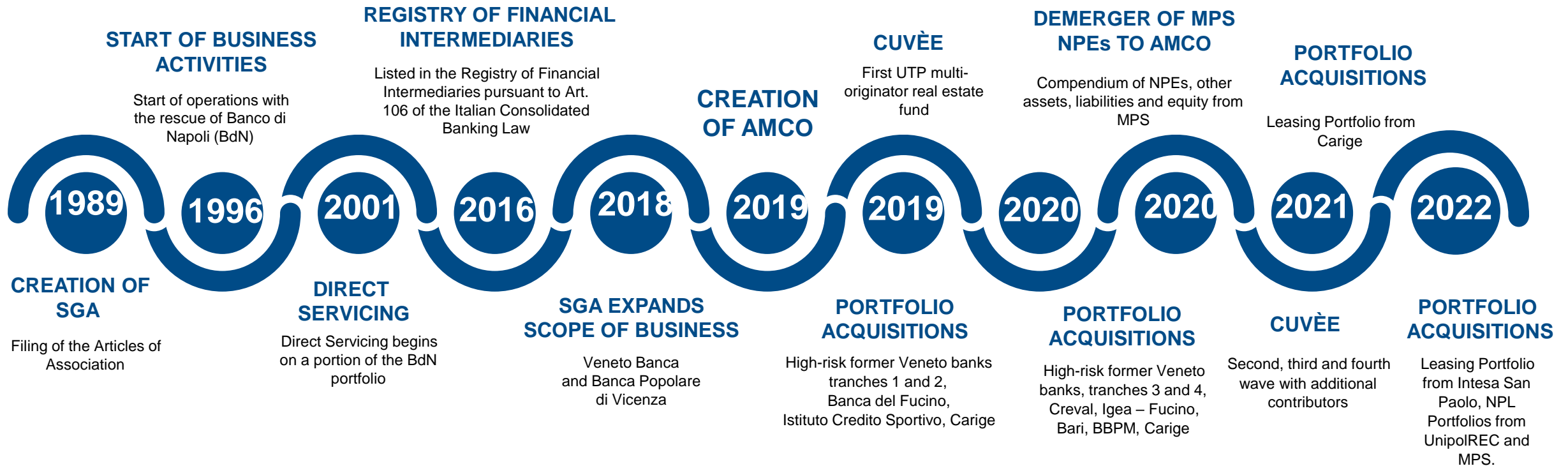
We support our people on their career paths



Our debt recovery process adopts a patient approach that is respectful of the borrower's socio-economic conditions. We support deserving manufacturing companies.



Business growth is based on our experience



We have completed the set-up phase and we are ready for future growth

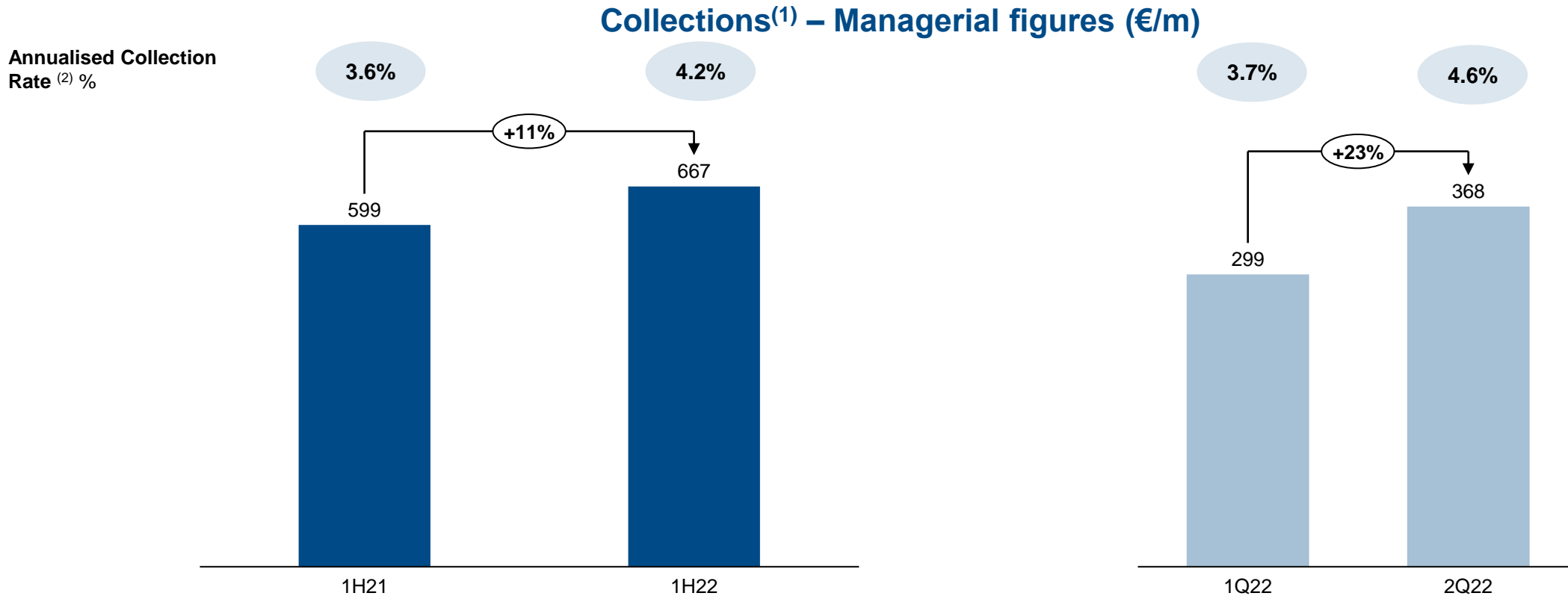


Note (1) Pro-forma for the acquisitions of former Intesa Sanpaolo leasing and single name portfolios. The underlying contracts have been signed but are expected to become effective by the second half of 2022..

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Collections reach 4.2% of AuM, posting a double-digit growth y/y



- **Collections +11% y/y**, thanks to the growth experienced by all Divisions, confirming the success of the in-house/outsourcing operating model. **Collection rate at 4.2%**, +0.5pp vs 1H21
- UTP largest contributor, due to collections on both small and big tickets, almost fully related to out-of-court settlements
- Collections gained momentum on a quarterly basis (+23% q/q), thanks to the consolidation of the collection activities set up at the beginning of the year

Note (1): 1H2021 collections restated for comparison purposes with 1H2022 figures.

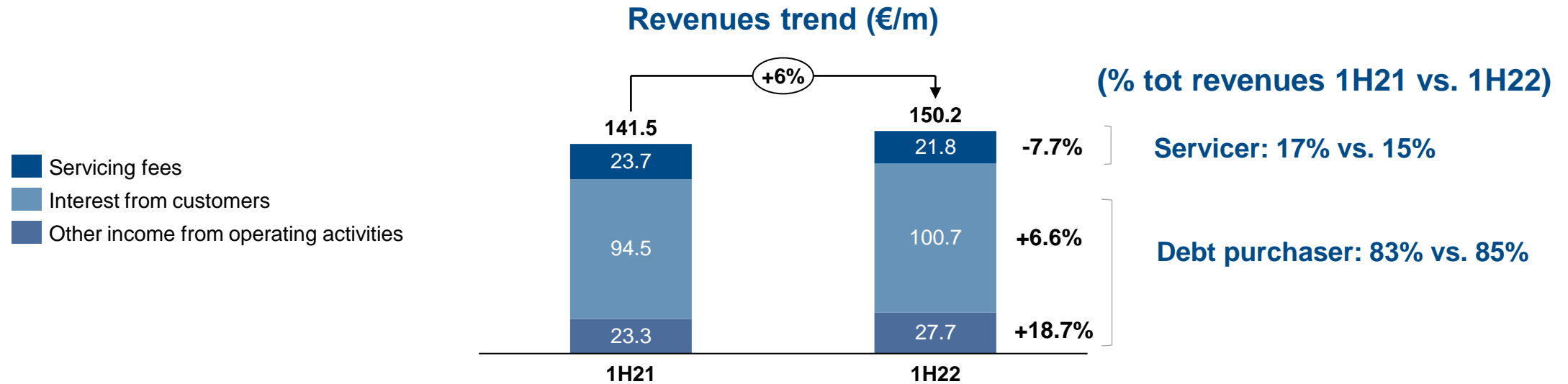
Note (2): Calculated as collections/average of total AuM.

Higher revenues support operating profitability, offsetting the increase in debt collection expenses that back future collections

€m	1H21	1H22	Δ %
Total Revenues	141.5	150.2	6%
Total Costs	(51.9)	(59.6)	15%
EBITDA	89.6	90.6	1%
EBITDA margin	63%	60%	n.s.
Net impairment gains/losses on loans and financial assets	3.2	(42.9)	n.d.
Depreciation and amortisation	(1.3)	(2.1)	67%
Net provisions for risks and charges	0.8	(0.1)	n.d.
Other operating income/expenses	(5.3)	9.3	n.d.
Net result from financial activities	7.6	(7.7)	n.d.
EBIT	94.6	47.1	-50%
Net interests from financial activity	(42.7)	(31.5)	-26%
Pre-tax income	51.8	15.6	-70%
Income taxes	(15.4)	(6.0)	-61%
Net profit	36.5	9.6	-74%

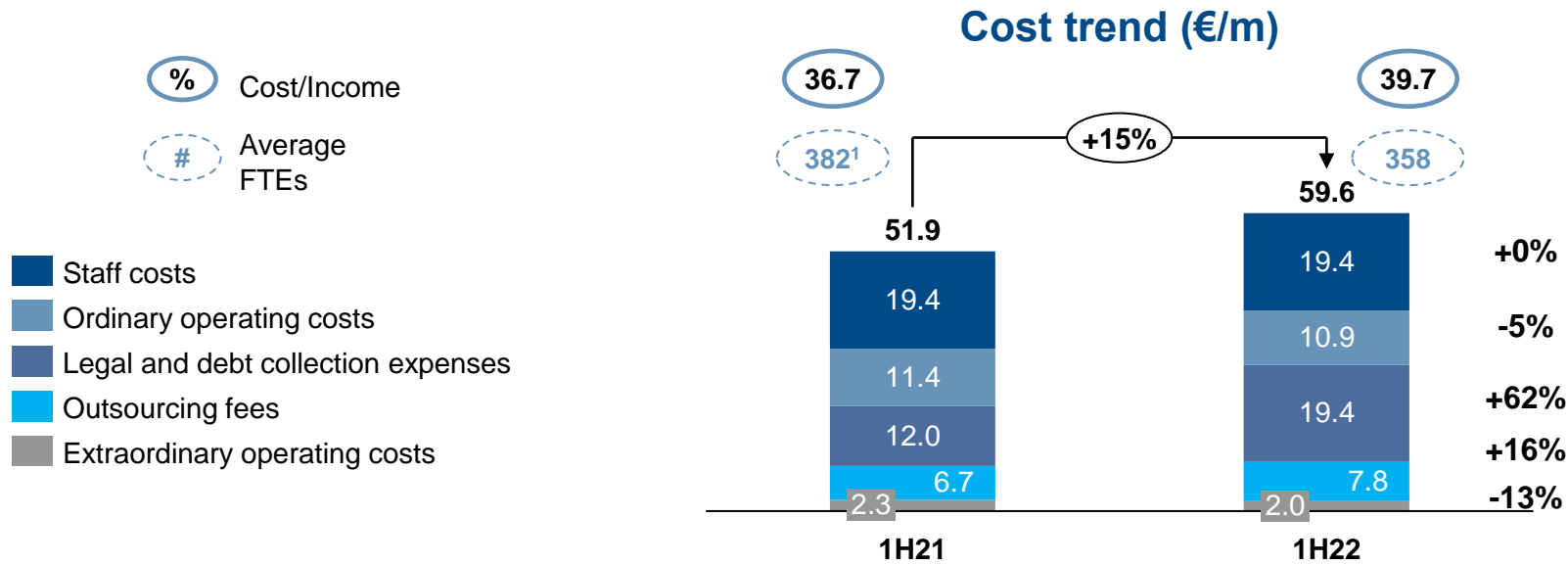
- **EBITDA up to €90.6m** (+1% y/y), thanks to **revenue growth** offsetting **higher costs** related to the **increase** of **legal and debt collection expenses** related to files that will provide future collections. **EBITDA margin** at **60%**
- **Interest expense** (-26% y/y) reflects the optimisation of the funding structure with reduction of average cost of debt
- **Net profit decreases to €9.6m** (-74% y/y) due to (i) **higher provisions** covering specific files' credit risk, and (ii) the review of the value of owned **funds** (UCITS) resulting from the increase in interest rates

Revenues up 6% y/y due to higher interest from customers



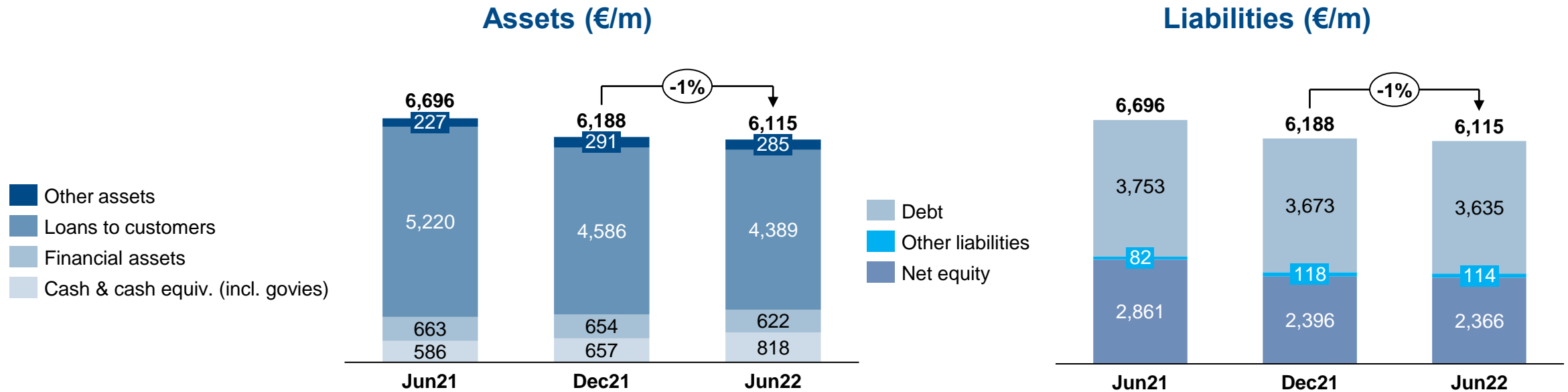
- **Servicing fees**, almost fully related to the **portfolio of former Veneto Banks**, slightly down due to the natural dynamics of the off-balance portfolios, only partially offset by the increase in fees arising from new AuM contributions to the Cuvée fund
- **Interest from customers** reach €100.7m (+6.6% y/y), mainly driven by higher Time Value interests accrued on the MPS portfolio, as recoveries envisaged in the plans approach, after provisions made at the end of 2021
- **Other income/expenses from operating activities** refers to **cash recoveries** (all cash-based), maximised thanks also to out-of-court settlement procedures

Costs increase y/y related to higher recovery expenses to support future collections



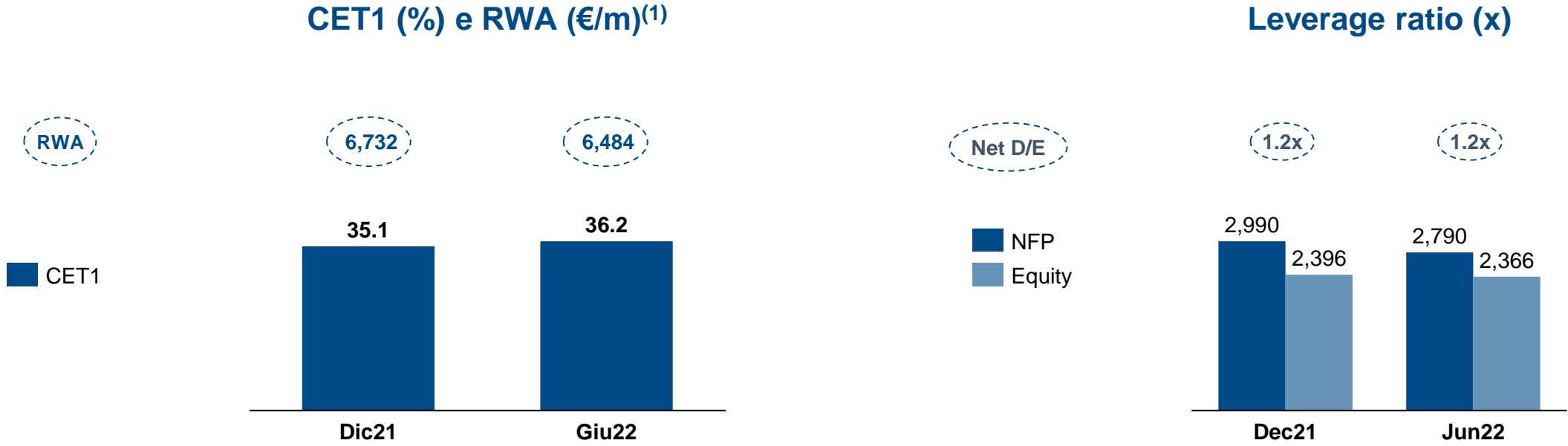
- **Staff costs** in line with the first half of 2021 that included personnel seconded from MPS, then exited in November 2021
- **Ordinary operating costs** (-5% y/y) reflect savings on business support services
- Increase in **legal** and **debt collection expenses** (+62% y/y) related to the management of files that will provide future collections
- Increase in **outsourcing fees** due to the higher collections on the portfolio outsourced to 13 external servicers

Balance sheet composition broadly in line with Dec-21: increase of available liquidity thanks to the cash flow generation of the business



- **Loans to customers decrease** due to the **natural dynamics** of **portfolios under management**
- Increase in **cash and cash equivalents (+€161m)** driven **by cash generated by** the **business operations**. **Excess cash is invested** in Italian government bonds booked at Fair Value
- Debt slightly down as a result of the repurchase of the senior notes of the Fucino securitisation

CET1 at 36.2% confirms capital strength to support a sustainable growth



The capital structure remains solid at June 2022:

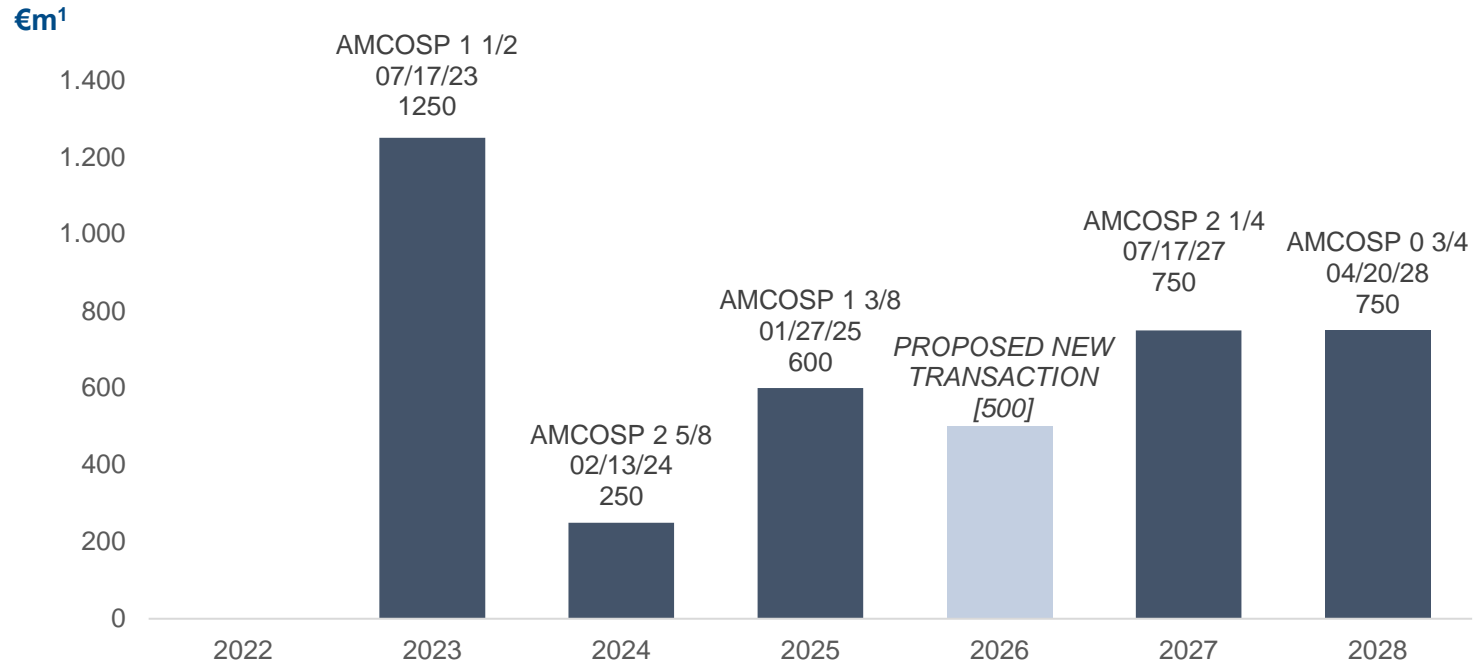
- CET1 ratio at 36.2%, and
- Net Debt/Equity ratio of 1.2x.

○ Note (1): Equity includes profit/loss for the period for CET1 calculation purposes

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AMCO – An established issuer in the bond market



- AMCO is now a **regular and well established issuer** with a **liquid and populated outstanding curve**
- AMCO's financial debt is well **spread across different maturities** and the intended transaction will fit into the curve carrying a **low duration**
- The issuances have experienced an **increasing success among institutional investors**

AMCO has an investment grade rating by S&P and Fitch

Rating and outlook confirmed on 28 July 2022

Rating and outlook confirmed on 27 April 2022

Rating agency

S&P Global
Ratings

FitchRatings

Issuer Default Rating

Long-Term IDR: **BBB**
Short-Term IDR: **A-2**
Stable outlook

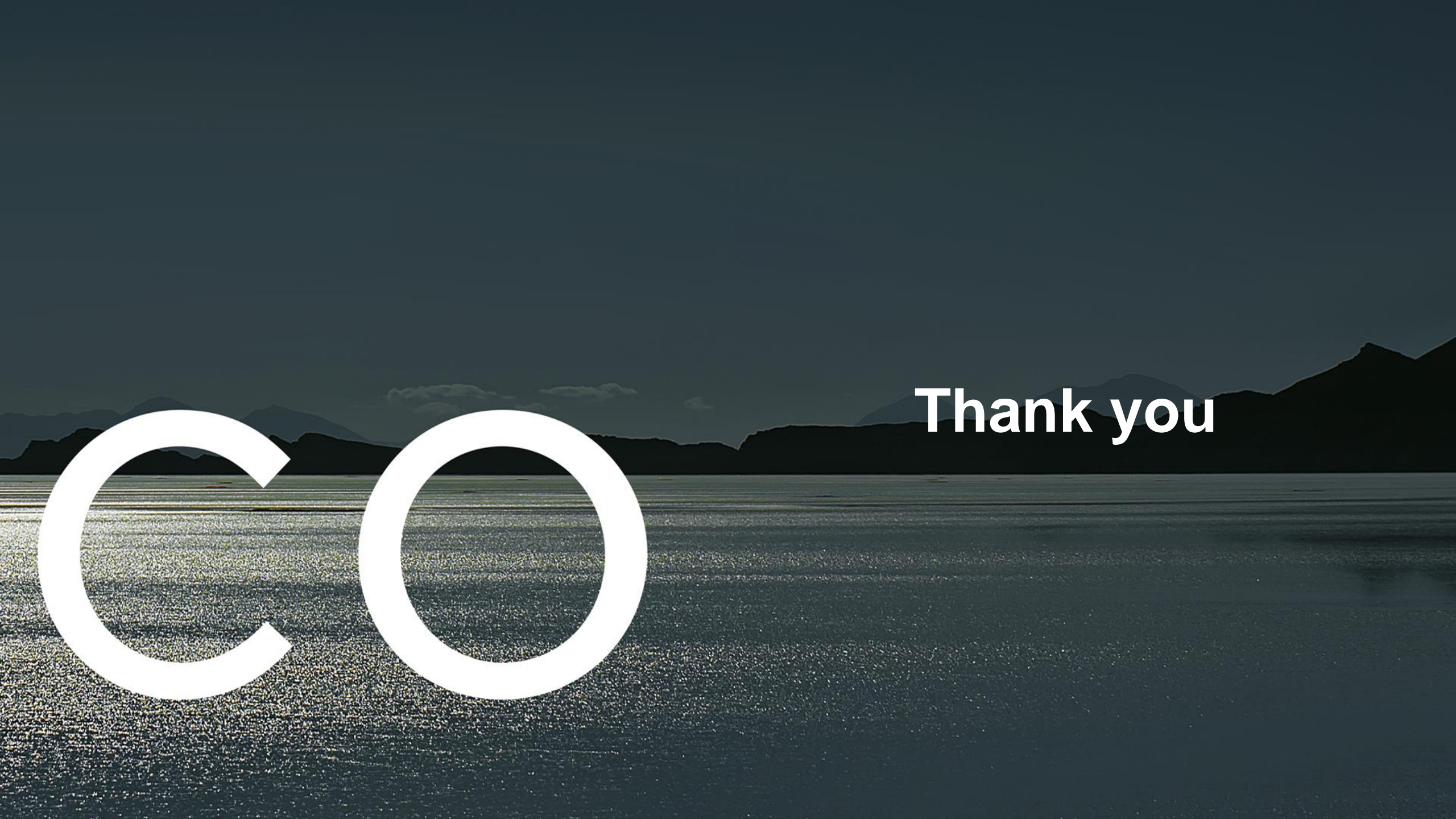
Long-Term IDR: **BBB**
Short-Term IDR: **F2**
Stable outlook

Special Servicer Rating

Special Servicer Ratings Affirmed on 2 August 2022

Residential Special Servicer: **RSS2**
Commercial Special Servicer: **CSS2**
Asset-Backed Special Servicer: **ABSS2**

On 14 January 2021 Fitch upgraded AMCO's commercial, residential and asset-backed special servicer ratings



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Thank you