

## **PRESS RELEASE**

### **FY 2022 RESULTS**

**AMCO, COLLECTIONS AT €1.52BN (+12%) AND NORMALISED NET PROFIT AT €91.3M (+31%)**

**SOLID CAPITAL STRUCTURE CONFIRMED, UNDERPINNING NEW BUSINESS GROWTH PROJECTS**

- **Assets under Management of €36.4bn at the end of 2022: +12% y/y due to new portfolio acquisitions through competitive processes**
- **Business mix after new portfolio acquisitions: 67% NPLs and 33% UTPs**
- **Double-digit growth in collections (+12% y/y): €1.52bn in 2022, with a sustainable credit management approach; collection rate of 4.7%: +0.6 p.p. versus 2021**
- **EBITDA of €304.1m: +64% y/y supported by growth in revenues reaching €439.4m (+43% y/y); EBITDA margin at 69.2%**
- **Normalised net profit<sup>1</sup> at €91.3m, up by 31%**
- **Strong capital structure confirmed, with CET1 at 33.1%, supporting growth**
- **Team strengthened thanks to new hirings: +31 people in 12 months, with headcount totalling 373 at the end of 2022**
- **Consolidated access to capital markets: a €500m 3.5-year bond was issued in September 2022. In early 2023, a €500m 4-year bond was issued with simultaneous repurchase (€400m) of part of the outstanding bond due in July 2023**
- **In line with the 2023 goals envisaged in the “made in AMCO” GSSE Sustainability strategy, the LEED Gold certification was obtained in January for the Milan headquarters**

*Milan, 13 March 2023* - The Board of Directors of [AMCO – Asset Management Company](#) S.p.A. met today to approve the consolidated results for financial year 2022.

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<sup>1</sup> Normalised for one-off provisions of the MPS portfolio transferred through demerger. The consolidated accounting profit for 2022 was €42.3m.

*“During 2022, credit management through our sustainable credit approach led to double-digit growth in collections: +12%. The acquisition of new portfolios through competitive processes drove the increase in operating results and normalised net profit rose by 31%. The solid capital structure is confirmed: AMCO is ready for new development projects”* stated **Marina Natale, AMCO’s CEO.**

*“Last December we published the “Made in AMCO” 2025 Plan, introducing innovative responses to market scenarios, alongside our partners. The Plan integrates Sustainability across AMCO’s whole value chain, showing our strong focus on the Social area and on Sustainable Credit management - which has always been part of our DNA - while at the same time pursuing economic effectiveness”* stated **Stefano Cappiello, AMCO’s Chairman.**

## **FY 2022 RESULTS**

### ***Business development***

As of 31 December 2022, Assets under Management (AuM) reached €36.4bn, comprising NPLs (67%) and UTPs (33%), up by 12% versus the end of 2021 due to the purchases of new portfolios and thanks to new contributions to the Cuvée Fund.

In 2022, AMCO generated new business totalling approximately €5.7bn, among which the following acquisitions through competitive processes:

- from **Intesa Sanpaolo** (1.7.2022): a portfolio of €1.4bn (GBV) of NPL lease loans and a portfolio of €120m (GBV) of single name UTPs;
- from **MPS Group** (5.8.2022): a portfolio of NPLs of €208m (GBV);
- from **UnipolREC** (5.8.2022): a portfolio of NPLs of €2.6bn (GBV);
- from **BPER Group** (28.11.2022): a portfolio of NPLs of about €1.4bn (GBV) within a framework agreement between Gardant and AMCO and BPER Group.

During 2022 the innovation process continued, confirming AMCO’s ability to manage and structure complex transactions with its partners: the **Cuvée Project** reached **€2.1bn of assets under management**, thus confirming the success of the first multi-originator platform created at the end of 2019 to manage UTPs in the real estate sector.

On 26 August 2022, the [DGComp section of the European Commission](#) announced the go-ahead for the **GLAM project: the platform for the management of Covid-19 loans guaranteed by the Italian Central Guarantee Fund (Fondo Centrale di Garanzia)**. The GLAM project was structured by AMCO to respond to new market scenarios and represents a new frontier for all players.

In addition, on 15 September 2022 the **Ministry of Tourism and AMCO** signed a [memorandum of understanding](#) to jointly promote initiatives to strategically support and relaunch companies in the Italian tourism sector. The goal of this new line of development is the launch of a multi-originator fund dedicated to loans provided to companies in the tourism/hotellerie segment.

Thanks to its innovative *in-house/outsourcing* model, AMCO today can rely on a flexible operational leverage to combine growth and efficiency across all Business Divisions and can leverage an **expanded network of 16 Servicers** coordinated by the **Special Partnerships & Servicers Division** (SP&S), up and running since January 2022.

In 2022, the company further strengthened the **UTP Division** with the creation of a team responsible for the management of granular UTP files related to small/medium-sized counterparties, ensuring solutions that envisage also the granting of new finance.

In July 2022 the **ESG & Sustainability Committee** was set up and the **Chief Sustainability Officer** was appointed to oversee the implementation of AMCO's Sustainability strategy.

In October 2022, the **Credit & Portfolio Management Department**<sup>2</sup> was set up to strengthen the business planning and monitoring, and the **Loan Operations**<sup>3</sup> function was introduced to reinforce the administrative processes supporting credit management.

### ***Sustainable approach to business***

AMCO adopts a collaborative approach to credit collection, respecting clients and seeking extra-judicial settlements 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 the guidelines to operate correctly, for both employees and partners.

During 2022, AMCO **successfully managed files in several sectors** through:

- the restructuring of Italian manufacturing companies, such as the relaunch of *Grotto* Group (GAS Jeans brand) and *Asso Werke*, an Italian company operating in the automotive sector;
- direct purchases of real estate assets such as the *Torre Aquileia in Jesolo* (Venice) in order to enhance their value through subsequent sale, while benefitting the local area;
- deals in the tourism/hotellerie sector, as in the case of the debt restructuring of *Edilmarina*;
- urban redevelopment such as the Monteluce area in Perugia through *Fondo Umbria Comparto Monteluce*.

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<sup>2</sup> The Credit & Portfolio Management Department is the evolution of the former PAM (Portfolio Analysis & Monitoring).

<sup>3</sup> The Loan Operations functions is part of the COO Department.

### **Operating activities – Collections**

**Collections** in 2022 reached €1.52bn<sup>4</sup>, up by 12% versus €1.35bn in 2021. The overall **collection rate**<sup>5</sup> improved from 4.1% in 2021 to 4.7% in 2022, confirming the strengthened collection capabilities.

The positive trend in collections and collection rate is driven by a collaborative and sustainable credit management approach: extra-judicial settlements account for 95% of collections from UTPs and 42% of collections from NPLs.

Growth in collections was driven by all Business Divisions, confirming the success of the *in-house/outsourcing* operating model. As of 31 December 2022, the “management” mix saw 75% of volumes managed in-house and 25% in outsourcing.

Specifically, the **Special Partnerships & Servicers (SP&S) Division** recorded the highest percentage growth (+16% y/y), while the **UTP Division** (collections +14%) generated almost half of the total collections with a *collection rate* of 7.6% in 2022. In the **Workout Division**, collections grew by 6% y/y.

### **Consolidated results – Income statement excluding non-recurring items**

In 2022, **normalised consolidated net profit (excluding non-recurring items)**<sup>6</sup> was €91.3m, up 31% versus a normalised net profit of €69.6m in 2021.

**EBITDA** (€304.1m) was up 64% y/y, driven by the strong growth in revenues (+43% y/y), led by the acquisition of new portfolios the onboarding of which took place in the latter part of the year. EBITDA margin reached 69.2% (60.5% in 2021).

**Revenues** increased considerably (+43% y/y) reaching €439m, with investment revenues driving growth and reaching 90% of the total (85% in 2021). The remaining revenues originate from *servicing* activities. *Servicing* fees amounted to €45m, slightly down from 2021 due to the natural trend of the off-balance portfolio under management of the former Veneto banks, only partially offset by the fees from new contributions to the Cuvée fund.

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<sup>4</sup> Collections generated through AMCO's operating activities. In addition, there were interim collections of €123m related to the portfolios acquired during the year.

<sup>5</sup> Collection rate calculated as: collections / average managerial GBV for the period.

<sup>6</sup> Normalised for one-off provisions of the MPS portfolio transferred through demerger. The consolidated accounting profit for 2022 was €42.3m versus accounting loss of €422m in 2021 (resulting from non-recurring items).

€/m Excluding non-recurring items	FY21	FY22	% change
Servicing fees	46.5	44.5	-4%
Interest and fees from customers	189.4	307.2	62%
Other income/expenses from operating activities	71.2	87.7	23%
<b>Total revenues</b>	<b>307.1</b>	<b>439.4</b>	<b>43%</b>
Staff costs	(39.9)	(39.2)	-2%
Net operating costs	(81.3)	(96.0)	18%
<b>Total costs</b>	<b>(121.3)</b>	<b>(135.3)</b>	<b>12%</b>
<b>EBITDA</b>	<b>185.8</b>	<b>304.1</b>	<b>64%</b>
<b>Ebitda margin</b>	<b>60.5%</b>	<b>69.2%</b>	<b>n.m.</b>
Net impairment gains/losses	(14.2)	(66.2)	n.m.
Depreciation and amortisation	(2.7)	(4.8)	78%
Provisions	(3.5)	0.1	n.m.
Other operating income/expenses	(2.4)	5.6	n.m.
Net result from financial activities	(2.6)	(34.7)	n.m.
<b>EBIT</b>	<b>160.4</b>	<b>204.1</b>	<b>27%</b>
Net interest from financial activities	(76.2)	(68.1)	-11%
<b>Pre-tax profit</b>	<b>84.2</b>	<b>136.0</b>	<b>62%</b>
Income taxes	(14.6)	(44.7)	n.m.
<b>Normalised net profit</b>	<b>69.6</b>	<b>91.3</b>	<b>31%</b>

Interest from customers reached €307m (+62% y/y), thanks to the contributions from new portfolios acquired during 2022 and accounted in 2022. Other income/expenses from operating activities rose by 23% and refer to cash recoveries related to collections above initial expectations, with maximisation of recoveries due also to extra-judicial settlement procedures.

Total **costs** stood at €135.3m (+12% y/y) as a result of the strengthening of the operating structure required to support business growth. In detail, staff costs are €39.2m and are in line with 2021, which included personnel seconded from MPS, which left in November 2021. The hiring of 31 new talents brings employees up to 373, as of 31 December 2022, of which 67% in business operations and 33% in central functions.

At the end of December 2022, ordinary operating costs were €28.4m, up by 11% due to the growth in Assets under Management. The increase in legal and debt collection expenses (€45.7m, +41% y/y) reflects credit management actions started over the year. The increase in outsourcing fees (€17m, +16%) is due to higher collections on the portfolio managed by external servicers.

**EBIT<sup>7</sup>** increased by 27.2% y/y to €204m. The balance of net impairment gains/losses on loans (-€66.2m) reflects provisions made to cover the credit risk of specific files.

Net Result from financial activities (-€35m) is affected by the review of the value of the stakes in the Italian Recovery Fund in light of recoveries expected from the underlying loans.

**Net interest from financial activities** (-€68.1m) is down 11% y/y, due to the optimisation of the financing structure, which led to a reduction in the average cost of debt thanks to early repayment of secured debt in June 2021.

Income **taxes** stood at €44.7m<sup>8</sup>.

### **Balance sheet**

The balance sheet is strong and growing as a result of the new portfolios acquired, which resulted in an increase in loans to customers up to €5,031m (€4,586m in 2021).

Cash and cash equivalents reached €733m, showing a €76m increase y/y thanks to the cash generated by business operations. The excess liquidity is invested in Italian government bonds accounted at Fair Value.

Financial assets stood at €572m, mainly composed of the investment in IRF for €386.2 million.

Financial liabilities at the end of 2022 amounted to €4.1bn and consist entirely of senior unsecured bonds issued under the *Euro Medium Term Note Programme* (EMTN), which has capacity up to a maximum of €6bn.

In September 2022, a 3.5-year [bond](#) due 27 March 2026 was successfully placed, for a total nominal amount of €500m, to finance part of the purchasing of new portfolios.

€/m	FY21	FY22
Loans to customers	4,586	5,031
Cash and cash equivalents	657	733
Financial assets	654	572
Other assets	291	268
<b>Total assets</b>	<b>6,188</b>	<b>6,605</b>

<sup>7</sup> Excluding €74.9m one-off provisions following the valuation review process of the MPS portfolio, which was transferred through demerger.

<sup>8</sup> Normalised for the fiscal impact related to one-off provisions of €74.9m following the valuation review process of the MPS portfolio, which was transferred through demerger.

€/m	FY21	FY22
Financial liabilities	3,673	4,134
Tax liabilities	4	4
Provisions for specific purposes	23	16
Other liability items	91	72
<b>Net equity</b>	<b>2,396</b>	<b>2,378</b>
<i>Share capital</i>	655	655
<i>Share premiums</i>	605	605
<i>Reserves</i>	1,572	1,142
<i>Valuation reserves</i>	(14)	(66)
<i>Net Profit</i>	(422)	42
<b>Total liabilities and net equity</b>	<b>6,188</b>	<b>6,605</b>

**Capital structure** is very solid and ensures sustainable growth: net equity at the end of 2022 totalled €2,378m.

CET1 ratio stood at 33.1%, with Total Capital ratio also standing at 33.1%, due to the absence of subordinated bonds. A strong capital structure allows to manage potential risks and provides flexibility to support the diversified growth strategy envisaged in the “made in AMCO” 2025 Plan.

Net Debt (NFP)/Equity ratio came in at 1.4x.

## Rating

On 27 April 2022, **Fitch Ratings** confirmed AMCO’s long-term rating of ‘BBB’ and short-term rating of ‘F2’, with a stable outlook.

On 28 July 2022, **S&P Global Ratings** revised AMCO’s outlook from positive to stable, while confirming the long-term rating at ‘BBB’ and the short-term rating at ‘A-2’. The revision follows the review of the outlook on Italy’s rating by S&P.

On 2 August 2022, **Fitch Ratings** confirmed AMCO’s ratings as a commercial, residential and asset-backed special servicer at ‘CSS2’, ‘RSS2’, ‘ABSS2’, with stable outlooks.

## SIGNIFICANT EVENTS IN THE PERIOD

### “made in AMCO”: the 2025 Strategic Plan

On 15 December 2022, AMCO presented the [“made in AMCO” 2025 Strategic Plan](#), which is based on the creation of new business opportunities with partners, with a diversified growth

strategy: €7.5bn in new investment by 2025, the launch of innovative projects for €1.5bn in multi-originator funds, and the GLAM project for €11bn, in response to new market scenarios. The 2025 Strategic Plan integrates sustainability across AMCO's entire value chain.

## **SIGNIFICANT EVENTS AFTER 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 notes worth €400m, equal to the maximum acceptance value.

### **Portfolio acquisitions**

In early 2023, AMCO signed agreements to purchase leasing and banking loans totaling about €500m Gross Book Value. Onboarding is expected in the first half of 2023.

### **AMCO's headquarters in Milan is LEED Gold certified**

In line with the goals for 2023 set out in the "made in AMCO" Sustainability Plan, in January 2023 AMCO obtained the LEED Gold certification for its new headquarters in located in Milan.

## **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 €36.4bn, of which € 12bn of UTPs, related for 74% to over 40 thousand Italian companies, 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 for the 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 management strategy tailored for NPLs and UTPs and the competences and specialised skills of its 373 professionals operating out of 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.*

<p><b>AMCO - Asset Management Company S.p.A.</b> <b>Media &amp; Investor Relations</b> Phone: + 39 02 94457 511 <a href="mailto:Investor.Relations@amco.it">Investor.Relations@amco.it</a></p>	<p><b>Press Office</b> <b>SEC Newgate</b> Phone: +39 02 6249991 <a href="mailto:amco@secrp.com">amco@secrp.com</a></p>
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## CONSOLIDATED INCOME STATEMENT

Items (€000)	31.12.2022	31.12.2021
10. Interest and similar income	308,055	189,899
20. Interest and similar expenses	(72,368)	(77,796)
<b>30. INTEREST MARGIN</b>	<b>235,687</b>	<b>112,103</b>
40. Fee and commission income	48,037	47,893
50. Fee and commission expense	(84)	(754)
<b>60. NET FEES AND COMMISSIONS</b>	<b>47,953</b>	<b>47,139</b>
70. Dividends and similar revenues	1,813	1,419
80. Trading activities net result	17,035	13,592
100. Profit (loss) on sale/repurchase of:	7,130	4,348
<i>a) financial assets measured at amortised cost</i>	7,130	2,658
<i>b) financial assets measured at fair value through other comprehensive income</i>		1,690
110. Net result of other financial assets and liabilities measured at fair value through profit and loss	(43,109)	344
<i>a) financial assets and liabilities measured at fair value</i>		
<i>b) other financial assets mandatorily measured at fair value</i>	(43,109)	344
<b>120. BROKERAGE MARGIN</b>	<b>266,509</b>	<b>178,945</b>
130. Net value adjustments/reversals for credit risk of:	(54,642)	(480,180)
<i>a) financial assets measured at amortised cost</i>	(54,261)	(479,591)
<i>b) financial assets measured at fair value through other comprehensive income</i>	(381)	(589)
<b>150. NET RESULT OF FINANCIAL MANAGEMENT</b>	<b>211,867</b>	<b>(301,235)</b>
160. Administrative expenses:	(144,014)	(128,517)
<i>a) staff costs</i>	(39,248)	(39,944)
<i>b) other administrative expenses</i>	(104,766)	(88,573)
170. Net provisions for risks and charges	133	(3,507)
<i>a) commitments and guarantees issued</i>		
<i>b) other net provisions</i>	133	(3,507)
180. Net value adjustments/reversals on property, plant and equipment	(2,911)	(1,995)
190. Net value adjustments/reversals on intangible fixed assets	(1,762)	(724)
200. Other operating income and expenses	(2,224)	(8,501)
<b>210. OPERATIONAL COSTS</b>	<b>(150,778)</b>	<b>(143,244)</b>
230. Net result of the measurement at fair value of property, plant and equipment and intangible assets	(9)	
<b>260. PROFIT (LOSS) OF CURRENT OPERATIONS BEFORE TAXES</b>	<b>61,080</b>	<b>(444,479)</b>
270. Income taxes for the year on current operating activities	(18,827)	22,503
<b>280. PROFIT (LOSS) OF CURRENT OPERATIONS AFTER TAXES</b>	<b>42,253</b>	<b>(421,976)</b>
290. Profit (Loss) from discontinued operations after taxes		
<b>300. PROFIT (LOSS) FOR THE YEAR</b>	<b>42,253</b>	<b>(421,976)</b>
310. Profit (Loss) for the year attributable to third-party funds		
<b>320. Profit (Loss) for the year attributable to the parent company</b>	<b>42,253</b>	<b>(421,976)</b>

## CONSOLIDATED BALANCE SHEET ASSETS

Asset items (€000)	31.12.2022	31.12.2021
10. Cash and cash equivalents	46,826	154,973
20. Financial assets measured at fair value through profit and loss	571,520	651,918
<i>a) financial assets held for trading</i>	23	70
<i>b) financial assets measured at fair value</i>		
<i>c) other financial assets mandatorily measured at fair value</i>	571,497	651,848
30. Financial assets measured at fair value through other comprehensive income	687,013	500,668
40. Financial assets measured at amortised cost	5,031,061	4,589,370
<i>a) loans and receivables with banks</i>	14,431	3,651
<i>b) loans and receivables with financial companies</i>	77,691	82,259
<i>c) loans and receivables with customers</i>	4,938,939	4,503,460
50. Hedging derivatives		
60. Change in value of financial assets subject to a generic hedge (+/-)		
70. Equity investments	10	10
80. Property, plant and equipment	27,391	27,217
90. Intangible assets	3,975	1,937
100. Tax assets	197,686	234,784
<i>a) current</i>	11,879	11,206
<i>b) deferred</i>	185,807	223,578
110. Non-current assets and groups of assets held for disposal		
120. Other assets	39,198	26,715
<b>TOTAL ASSETS</b>	<b>6,604,680</b>	<b>6,187,592</b>

## CONSOLIDATED BALANCE SHEET LIABILITIES AND NET EQUITY

Liabilities and shareholders' equity items (€000)	31.12.2022	31.12.2021
10. Financial liabilities measured at amortised cost	4,133,630	3,673,371
<i>a) payables</i>	23,087	26,199
<i>b) debt securities issued</i>	4,110,543	3,647,172
20. Financial liabilities held for trading	71	4
50. Change in value of financial liabilities object to a generic hedge (+/-)		
60. Tax liabilities	4,307	4,103
<i>a) current</i>	1,706	
<i>b) deferred</i>	2,601	4,103
80. Other liabilities	72,323	91,124
90. Post-employment benefits	450	556
100. Provisions for risks and charges:	15,876	22,395
<i>a) commitments and guarantees issued</i>		
<i>b) pensions and similar obligations</i>	168	130
<i>c) other provisions for risks and charges</i>	15,708	22,265
110. Share capital	655,154	655,154
120. Treasury shares (-)	(72)	(72)
140. Share premiums	604,552	604,552
150. Reserves	1,141,970	1,572,479
160. Valuation reserves	(65,835)	(14,098)
170. Profit (Loss) for the year	42,254	(421,976)
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>6,604,680</b>	<b>6,187,592</b>