

## PRESS RELEASE

### 1H24 RESULTS

**COLLECTIONS AT €721M AND NET INCOME UP TO €23.2M (+5%)**

**ASSETS UNDER MANAGEMENT AT €33.5BN**

- **Assets under Management (AuM) at €33.5bn (-7% y/y) in line with the strategy defined in the 2024-2028 Plan. 70% are NPLs and 30% are UTPs**
- **New financing to support businesses: €12m issued in 1H24**
- **Collection rate stable at 4.2%; collections at €721m, compared to €760m in 1H23, due to the reduction of assets under management**
- **Revenues at €218.7m (-10% y/y) due to lower volumes**
- **EBITDA at €121.0m. *Ebitda margin* at 55.3%**
- **Net income at €23.2m, +5% y/y**
- **Capital ratios further improving: CET1 at 35%**
- **Ratings confirmed: Fitch (BBB/F2) and S&P (BBB/A-2) with stable outlook**
- **In February, €250m of the maturing bond was repaid with available liquidity**
- **[Sustainability Report 2023](#) published on a voluntary basis and new 2024 Sustainability targets defined within the 4 pillars of the GSSE Strategy<sup>1</sup>**

Milan, 30 July 2024 - The Board of Directors of [AMCO - Asset Management Company S.p.A.](#) met today and approved the 1H24 results.

*"In these first months we have been working on the transformation of AMCO's operating model by focusing on reorganising the business, strengthening the organisational structure and reinforcing the control system, - explains **Andrea Munari, CEO of AMCO**. - The company closed the first half of the year with a profit, confirming the generation of liquidity and a solid capital structure. In line with the 2024-2028 Plan, in the next months we will continue the transformation of the operating model, with a data-driven approach and strengthening the IT infrastructure. The new structure and the actions taken will allow us to optimise recoveries and produce value in the long term."*

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<sup>1</sup> Sustainable Governance, Sustainable Credit Management, Sustainable Development of Human Capital, Environmental Protection.

## 2024-2028 STRATEGIC PLAN UPDATE

The 2024-2028 Strategic Plan “We Produce Value” was presented to the market on 12 March 2024. In the first few months of the implementation of this Plan, a number of changes were made to the governance and organisational chart (some of which will be effective as of the third quarter of 2024) in order to adopt the organisational structure deemed most suitable to pursue the objectives outlined in the Plan. These changes, which also constitute "Significant events after the reporting date", have already been illustrated in the [Press Release of 12/6/2024](#).

Among the most significant changes is the appointment of a Co-General Manager, reporting to the CEO, who supervises and coordinates:

- business areas and business support functions
- the management of the operational infrastructure
- the (newly established) 1st level Centralised Control Function
- the (newly established) Transformation Office Function to oversee the implementation and monitoring of all transformation initiatives envisaged in the Strategic Plan.

Within this framework, and as already announced on 12/6/2024, the business activity was strengthened with the evolution into two Departments: the NPE & Outsourcing Department (files below €2m and management of outsourced servicers) and the Turnaround & Strategic Finance Department (files above €2m).

In addition, AMCO has precisely defined new important Sustainability goals for 2024 within the guidelines already announced in the 2024-2028 Strategic Plan, following the 4 pillars of the GSSE Strategy.

In particular, on Diversity and Inclusion, the defined objectives are: the annual promotion to roles of greater responsibility of 10% of the female population, the calculation of the gender pay gap with reduction targets and the definition of a D&I Manifesto.

## 1H24 RESULTS

### ***Business performance***

As of 30 June 2024, Assets under Management (AuM) reached €33.5bn (-7% y/y), in line with the strategy set out in the 2024-2028 Strategic Plan, due to the natural dynamics of the portfolio, in the absence of new purchases. AuM consisted of 70% NPLs and 30% UTPs. In terms of operational mix, 70% of volumes are managed in-house and 30% in outsourcing.

With a view to management simplification, in the second quarter AMCO sold over 60,000 non-core small tickets -approximately 30% of total managed positions- with negligible impact in terms of assets. At the end of June, there were approximately 167 thousand positions under management.

**New financing issued** to companies amounted to €12m in the first half-year.

### ***Operations Management - Collections***

**Collections** in the first half of the year reached €721m, down 5% from €760m in the same period of the previous year due to the decrease in assets under management.

The **annualised<sup>2</sup> collection rate** in 1H24 remained stable at 4.2% (4.2% in 1H23). Management effectiveness is confirmed by the sound performance of all Business Divisions: the Workout Division achieves a collection rate of 3.4% (3.4% in 1H23) while the UTP collection rate is 6.0% (6.1% in 1H23). The SP&S Division's collection rate increases to 4.1% (3.6% in 1H23) due to the start of the process of better alignment with servicers.

The solid collections performance is accompanied by a proactive approach to credit management: 94% of collections from UTP credits come from extrajudicial activities, as well as 29% of collections from NPL credits, in line with the GSSE Sustainability Strategy.

### ***Results as of 30.06.2024***

Net income as of 30 June 2024 amounted to €23.2m, up 5% vs €22.1m in 1H23, due to lower credit provisions and debt reduction.

**EBITDA** amounted to €121.0m (compared to €160.5m in 1H23). The trend reflects the decline in revenues due to lower on-balance sheet volumes. **Ebitda margin** is at 55.3%.

### ***Income statement - Main items***

**Revenues** amounted to €218.7m, down 10.4% y/y (€244.2m in 1H23) due to lower interest income originated from on-balance-sheet loans, in line with the Plan's Strategy. Servicing fees increased 20.7% to €23.2m due to the management of the off-balance sheet portfolio relating to the former Veneto banks and the Cuvée fund.

Interest from customers amounted to €150.2m, -13.5% y/y due to the reduction of on-balance sheet AuMs.

Other income/expenses from operating activities - which refer to cash recoveries (all cash-based) - decreased (-11.7% y/y), they are related to collections exceeding expected recovery plans.

**Total costs** amounted to €97.8m, up 16.8% y/y due to the strengthening of the company's structure, both in terms of infrastructure and staffing, and the acceleration of recoveries. In detail, net operating costs stood at €70.8m, up 19.0% y/y, due to the increase in legal and recovery expenses, IT costs

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<sup>2</sup> Annualised recovery rate calculated as the ratio of collections to average (monthly) GBV for the period.

including the replacement of the core banking system, and higher outsourcing fees related to recoveries on the portfolio managed by external servicers.

Personnel expenses amounted to €26.9m (+11.4% compared to 1H23) due to the increase in staff to support the company's development, especially for control and business support functions.

As of 30 June 2024, AMCO's employees were 429, 16 more than in the first half of 2023. 66% of staff is employed in business roles and the remaining 34% in central functions. Females account for 41% of total staff.

€/m	1H23	1H24	% change
Servicing fees	19.3	23.2	20.7%
Interest income	173.6	150.2	-13.5%
Other income/expenses from operating activities	51.3	45.3	-11.7%
<b>Total Revenues</b>	<b>244.2</b>	<b>218.7</b>	<b>-10.4%</b>
Personnel expenses	(24.2)	(26.9)	11.4%
Net operating costs	(59.5)	(70.8)	19.0%
<b>Total costs</b>	<b>(83.7)</b>	<b>(97.8)</b>	<b>16.8%</b>
<b>EBITDA</b>	<b>160.5</b>	<b>121.0</b>	<b>-24.6%</b>
<b>Ebitda margin</b>	<b>65.7%</b>	<b>55.3%</b>	<b>n.m</b>
Net impairment gains/losses	(80.0)	(54.4)	-32.0%
Depreciation and amortisation	(2.7)	(2.5)	-8.9%
Provisions	(0.1)	(2.1)	n.m
Other operating income/expenses	(0.5)	0.1	n.m
Net result from financial activities	1.5	6.0	n.m
<b>EBIT</b>	<b>78.7</b>	<b>68.1</b>	<b>-13.4%</b>
Interests and fees from financial activities	(45.5)	(37.1)	-18.5%
<b>Pre-tax income</b>	<b>33.2</b>	<b>31.1</b>	<b>-6.5%</b>
Income taxes	(11.1)	(7.9)	n.m
<b>Net income</b>	<b>22.1</b>	<b>23.2</b>	<b>4.9%</b>

**EBIT** amounted to €68.1m. Net impairment gains/losses were -€54.4m and reflect provisions to cover the portfolio's credit risk. **Interest from financial activities**, at €37.1m, decreased by 18.5%

compared to the first half of 2023 due to the decrease in outstanding debt for the repayment of maturing bonds<sup>3</sup>.

Income **taxes** stood at €7.9m.

### ***Balance Sheet***

The balance sheet remained solid. Loans to customers amounted to €3,952m, down from €4,981m in June 2023 due to collections and provisions.

Cash and cash equivalents, including cash and Italian Government bonds reached €749m, down €318m compared to 1H23, and were sufficient to repay the next bond maturing in January 2025 (€600m). The cash surplus is invested in Italian Government bonds, accounted at Fair Value.

Financial assets stood at €420m and mainly consisted of the stake in the Italian Recovery Fund (IRF).

Financial liabilities as of 30 June 2024 amounted to €3,137m and consisted of unsecured bonds. The company has a Commercial Paper program with a maximum total amount of €1bn, currently unutilised.

The Net Financial Position (NFP)<sup>4</sup> is -€2,351m, improved by €360m compared to December 2023 and by more than €800m y/y, thanks to the solid cash generation from the business.

Shareholders' equity as of 30 June 2024 amounted to €2,045m.

Capital ratios are further increasing: the CET1 capital ratio is 35%<sup>5</sup>; with Total Capital ratio also standing at 35%, as there are no subordinated bonds on the balance sheet.

The Net Debt (NFP)/Equity ratio is at 1.1x, down from 1.3x in June and December 2023.

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<sup>3</sup> €850m in July 2023 and €250m in February 2024.

<sup>4</sup> Calculated as: debt securities in issue at nominal value less cash and cash equivalents.

<sup>5</sup> Managerial data.

€/m	1H23	FY23	1H24
Loans to customers	4,981	4,235	3,952
Cash and cash equivalents (loans to banks, Government bonds)	1,067	679	749
Financial assets	500	441	420
Other Activities	250	232	212
<b>Total assets</b>	<b>6,798</b>	<b>5,587</b>	<b>5,333</b>
Financial liabilities	4,275	3,412	3,137
Tax liabilities	4	0	0
Provisions for specific purposes	14	25	25
Other liability items	93	128	125
<b>Net equity (of which)</b>	<b>2,413</b>	<b>2,022</b>	<b>2,045</b>
<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>1,184</i>	<i>1,184</i>	<i>796</i>
<i>Valuation Reserves</i>	<i>(53)</i>	<i>(34)</i>	<i>(34)</i>
<i>Net income</i>	<i>22</i>	<i>(388)</i>	<i>23</i>
<b>Total liabilities and net equity</b>	<b>6,798</b>	<b>5,587</b>	<b>5,333</b>

## SIGNIFICANT EVENTS DURING THE PERIOD

### Repayment of a bond maturing in February 2024

In February 2024, a €250m maturing bond was repaid by using part of the available liquidity.

### Fitch and S&P confirm AMCO's 'BBB' rating with stable outlook

On 16 April 2024, **Fitch Ratings** confirmed AMCO's long-term rating at 'BBB' with a Stable outlook and short-term rating at 'F2'.

On 21 May 2024, **S&P Global** confirmed the long-term rating at 'BBB' with a stable outlook and the short-term rating remaining at 'A-2'.

## SIGNIFICANT EVENTS AFTER THE PERIOD

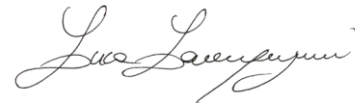
### Organisational evolution

On 30 July, AMCO's Board of Directors approved a series of organisational changes that, in line with the Strategic Plan, integrate the structure revisions already [announced on 12/6/2024](#). In particular:

the role of Co-General Manager was introduced to oversee the business and support areas, the management of the operational infrastructure, and the new 1st Level Centralised Controls and Transformation Office Functions.

## 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.

*AMCO is a credit management company with a systemic role in the management of impaired loans in the public interest. As of 30 June 2024, assets under management are €33.5 billion, comprising 70% non-performing loans and 30% UTPs, with a total of 167,000 positions, of which more than 80,000 are corporate.*

*The company is a subsidiary of the Ministry of Economy and Finance and is subject to the supervision of the Bank of Italy and the control of the Court of Auditors, as well as at EU level to that of the Directorate-General for Competition (DGComp).*

*AMCO operates according to an effective business model, aiming to optimise levels of operational efficiency. Credit management follows a proactive approach that favours enhancement strategies in synergy with other partners to facilitate the financial rebalancing of households and companies.*

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## CONSOLIDATED INCOME STATEMENT

Items (€000)	30.06.2023	30.06.2024
10. Interest and similar income	178,426	153,698
20. Interest expenses and similar charges	(51,478)	(42,107)
<b>30. Interest margin</b>	<b>126,948</b>	<b>111,591</b>
40. Commission income	21,304	19,348
50. Commissions payable	(9)	(5)
<b>60. Net commissions</b>	<b>21,296</b>	<b>19,342</b>
70. Dividends and similar income	1,329	10
80. Net trading income	(45)	549
100. Gains/losses on disposal or repurchase of:	(1,803)	3,285
(a) financial assets measured at amortised cost	(941)	3,282
b) financial assets measured at fair value with impact on comprehensive income	(990)	2
(c) financial liabilities	128	0
110. Net result of other financial assets and liabilities at fair value through profit or loss	(1,175)	7,363
(a) financial assets and liabilities designated at fair value		
(b) other financial assets mandatorily measured at fair value	(1,175)	7,363
<b>120. Intermediation margin</b>	<b>146,550</b>	<b>142,140</b>
130. Net adjustments/write-backs for credit risk of:	(25,928)	(14,761)
(a) financial assets measured at amortised cost	(26,178)	(14,555)
(b) financial assets measured at fair value with impact on comprehensive income	250	(205)
<b>150. Net result from financial operations</b>	<b>120,621</b>	<b>127,379</b>
160. Administrative expenses:	(84,541)	(98,753)
(a) personnel expenses	(24,171)	(26,936)
(b) other administrative expenses	(60,370)	(71,816)
170. Net provisions for liabilities and charges	(85)	(2,064)
(a) commitments and guarantees given		
b) other net provisions	(85)	(2,064)
180. Net Value Adjustments/Write-backs on Tangible Assets	(1,433)	(1,404)
190. Net value adjustments/write-backs on intangible assets	(1,131)	(865)
200. Other operating income/expenses	(131)	6,787
<b>210. Operating Costs</b>	<b>(87,320)</b>	<b>(96,299)</b>
230. Net result of fair value measurement of tangible and intangible assets	(74)	
<b>260. Profit (Loss) from continuing operations before tax</b>	<b>33,227</b>	<b>31,080</b>
270. Income tax for the year on current operations	(11,106)	(7,885)
<b>280. Profit (Loss) from continuing operations after tax</b>	<b>22,120</b>	<b>23,195</b>
290. Profit (Loss) from discontinued operations after tax		
<b>300. Profit (loss) for the year</b>	<b>22,120</b>	<b>23,195</b>



## CONSOLIDATED BALANCE SHEET

### ASSETS

Asset items (€000)	30.06.2023	31.12.2023	30.06.2024
10. Cash and cash equivalents	217,076	145,531	95,683
20. Financial assets at fair value through profit or loss	543,334	483,802	461,845
(a) financial assets held for trading	21	6	2
(b) financial assets designated at fair value			
(c) other financial assets mandatorily measured at fair value	543,313	483,796	461,843
30. Financial assets measured at fair value with impact on comprehensive income	548,992	488,187	653,712
40. Financial assets measured at amortised cost	5,239,040	4,237,830	3,909,653
(a) due from banks	301,075	45,363	943
(b) receivables from financial companies	72,399	79,502	83,826
(c) loans to customers	4,865,565	4,112,966	3,824,884
50. Hedging derivatives			
60. Value adjustment of macro-hedged financial assets (+/-)			
70. Participations	21	11	11
80. Material activities	30,147	36,622	38,613
90. Intangible Assets	3,453	1,286	527
- of which goodwill			
100. Fiscal activities	177,426	154,129	131,110
(a) currents	10,273	9,142	7,748
(b) in advance	167,153	144,986	123,362
110. Non-current assets and groups of assets held for sale			
120. Other Activities	38,875	40,084	42,131
<b>Total assets</b>	<b>6,798,362</b>	<b>5,587,480</b>	<b>5,333,286</b>

## CONSOLIDATED BALANCE SHEET

### LIABILITIES

Liabilities and shareholders' equity items (€000)	30.06.2023	31.12.2023	30.06.2024
10. Financial liabilities measured at amortised cost	4,274,677	3,412,200	3,137,151
(a) debts	62,655	22,582	21,044
(b) securities in issue	4,212,021	3,389,619	3,116,107
20. Financial liabilities held for trading	51	20	18
50. Value adjustment of macro-hedged financial liabilities (+/-)			
60. Tax liabilities	4,301	36	36
(a) currents	1,700	36	36
(b) deferred	2,601		
80. Other liabilities	92,839	128,080	125,166
90. Staff severance pay	449	472	461
100. Provisions for risks and charges	13,472	24,782	25,006
(a) commitments and guarantees given			
(b) pensions and similar obligations	191	169	198
c) other provisions for risks and charges	13,281	24,614	24,808
110. Capital	655,154	655,154	655,154
120. Own shares (-)	-72	-72	-72
130. Capital instruments			
140. Issue surcharges	604,552	604,552	604,552
150. Reserves	1,184,225	1,184,225	796,262
160. Valuation Reserves	-53,406	-34,006	-33,644
170. Profit (loss) for the year	22,120	-387,963	23,195
<b>Total liabilities and shareholders' equity</b>	<b>6,798,362</b>	<b>5,587,480</b>	<b>5,333,286</b>