

AnaCap Financial Europe continues to drive strong cash flow and deploy capital selectively across geographies

Financial results for year ended 31 December 2018

12 March 2019

AnaCap Financial Europe S.A. SICAV-RAIF (“AFE” or the “Company”) has today announced the financial results for the year ended 31 December 2018.

Significant selective deployment of capital in the period

	Year ended 31 Dec 2018	Year ended 31 Dec 2017 ¹	Growth
Deployment of Capital	€161.5m	€65.0m	+148.4%
Revenue	€75.6m	€78.9m	- 4.2%
Gross Collections	€133.7m	€123.0m	+8.7%
Normalised Adjusted EBITDA	€97.0m	€90.2m	+7.6%
Normalised Adjusted EBITDA Margin ²	72.6%	73.3%	-70 bps
Total Operating Cost Ratio ³	24.3%	24.6%	-30 bps
Profit before tax	€21.3m	€15.0m	+42.6%

Other highlights:

- 84-month ERC at 31 December 2018 was €585.1m (€437.9m at 31 December 2017)
- Gross Collections at 31 December 2018 up 8.7% in line with forecast
- LTM adjusted EBITDA up to €97.0m at 31 December 2018, an increase of 7.6% compared to 31 December 2017 (€90.2m)
- Leverage ratio at 31 December 2018 was 3.74x (3.08x at 31 December 2017) reflecting the recent capital deployment
- Strong growth in profit before tax of 42.6% at 31 December 2018
- Declaration of a dividend for the year 31 December 2018 of €10.1m payable on 13 March 2019

¹ Results of the Portfolio Business for comparative purposes only

² Based on normalised adjusted EBITDA as a percentage of core collections

³ Total operating cost ratio represents the ratio of total operating expenses (excluding non-recurring costs) divided by core collections

Justin Sulger

Partner, Head of Credit at AnaCap Financial Partners

“AFE delivered a strong performance in 2018, achieving its Core Collections forecast and deploying capital selectively in predominantly secured portfolios which embed growing cash flow.

AFE has expanded its geographical reach to Poland as anticipated, whilst continuing to diversify ERC across its core geographies, building on its long track record in secured assets as the industry evolves in this direction. AFE also continues to develop utilisation of the Minerva IT platform, data analytics and asset management capabilities to further enhance forecasting, pricing and servicing of assets.”

Teleconference

At 14.00 hours GMT on 12 March 2019, an audio Conference Presentation will be held on the results for the year ended 31 December 2018. For further details please visit the AFE website at:

www.anacapfe.com

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NOTES TO EDITORS

AnaCap Financial Europe (www.anacapfe.com)

AnaCap Financial Europe S.A. SICAV-RAIF invests in primarily non-performing debt across Europe. AFE has broad based expertise spanning unsecured and secured, consumer, SME and corporate debt. AFE was established on 28 June 2017 and acquired a portfolio of assets from existing AnaCap Credit Funds on 21 July 2017. As at 31 December 2018 AFE had Estimated Remaining Collections “ERC” over 84 months of €585.1m with 42% of ERC in Italy, 23% in Portugal, 21% in Spain and the remaining ERC derived from investments in Romania, Poland and the UK. In 2018, the Company invested €162m in acquiring new portfolios.

AFE benefits from a wide network and extensive track record in origination, pricing and servicing that AnaCap has developed since 2005 in the European financial services sector, including as an early mover into each of its core geographies as the local debt sale market developed to include a wider range of both unsecured and increasingly secured asset types. The Company’s investment approach is further underpinned by AnaCap’s proprietary digital platform, Minerva, which provides the ability to harness highly granular data and intelligence converting it into actionable information.