

## AnaCap Financial Europe delivers strong collections and remains conservative with short term outlook

Financial results for the six months ended 30 June 2020

8 September 2020

AnaCap Financial Europe S.A. SICAV-RAIF (“AFE” or the “Company”) has today announced the financial results for the six months ended 30 June 2020.

Key financial highlights for the six months ended 30 June 2020 are summarised in the table below:

	Six months ended 30 June 2020	Six months ended 30 June 2019	Variance
Gross Attributable Collections	€43.6m	€59.4m	-26.5%
Revenue	€33.2m	€39.8m	-16.6%
Adjusted EBITDA	€27.6m	€41.8m	-34.1%
Total Operating Cost Ratio <sup>1</sup>	34.9%	27.9%	+700 bps
Net Debt/Adjusted EBITDA	4.36x	3.53x	+0.83x
84-Month ERC	€478.6m	€550.1m	-13.0%

### Key Highlights:

- Strong collections performance in Q2 2020 with Gross Attributable Collections of €23.5m vs €9.2m per reforecast completed post lockdown across Europe
- Dynamic response to COVID-19 ensured robust operational performance from AFE and its servicing partners
- Strong over performance in collections during Q2 creates buffer towards further potential headwinds from the continued impact of COVID-19
- Strong liquidity position with €93m of cash and undrawn RCF, ensuring AFE can manage low cost operations effectively and capitalise on evolving market opportunities

<sup>1</sup> Total operating cost ratio represents the ratio of total operating expenses (excluding non-recurring costs and foreign exchange gains/losses) divided by Gross Collections.

## **Trading Update**

The Group is pleased to report a strong collections performance in the face of a challenging backdrop, with Q2 2020 attributable collections 155% ahead of its prudent reforecast. This has largely been driven by proactive asset management, accelerating cash in court distributions in Italy despite disruptions to court proceedings as well as significantly higher than expected residential real estate sales in Portugal, both in terms of overall volume and values achieved. Whilst pleased with performance so far, the Group continues to remain cautious regarding the ongoing impact of COVID-19. The Group expects that COVID-19 will continue to impact collections performance during H2 2020 and likely into 2021 but takes comfort from its low-cost operating model as well as from the opportunities emerging for future capital deployment.

## **Capital Structure and Liquidity**

The Company's liquidity position is strong, with available headroom of over €90m as of June end. This allows the Company to manage its low, predominantly variable cost base efficiently and patiently, such that it may respond dynamically as market opportunities become increasingly attractive once again across its core geographies and a broadening range of asset types. Net Debt to Adjusted EBITDA at 4.36x increased by 0.53x since YE 2019, which was expected following a period of low deployment, and the Company expects it will rise further in the short term, before returning to its longer-term target range of between 3.0 and 3.5x.

## **Justin Sulger**

### **Partner, Head of Credit at AnaCap Financial Partners**

"We have been hugely impressed by the dynamic response of both our Master Servicing platform as well as all of our servicing partners since the onset of the COVID-19 crisis.

Whilst we expect further challenges ahead, we are pleased to be comfortably ahead of our prudent reforecast at this point and can afford to remain patient in seeking out the best risk-adjusted returns from a market which remains in flux."

## Teleconference

At 14.00 hours BST on 8 September 2020, an audio Conference Presentation will be held on the results for the six months ended 30 June 2020. For further details please visit the AFE website at: [www.anacapfe.com](http://www.anacapfe.com)

### For further information, please contact us via:

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## NOTES TO EDITORS

### AnaCap Financial Europe ([www.anacapfe.com](http://www.anacapfe.com))

AnaCap Financial Europe S.A. SICAV-RAIF (AFE) is a debt purchaser which invests in a diverse range of 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. AFE benefits from the wide network and extensive track record in origination, underwriting and servicing that AnaCap has developed since 2005 across the European financial services sector.

### AnaCap Financial Partners ([www.anacapfp.com](http://www.anacapfp.com))

AnaCap is the leading Financial Sector investor in the European mid-market, investing across the industry through complementary Private Equity and Credit platforms.

Since 2005 we have raised €5.1 billion in AUM and completed over 85 primary investments across 15 European jurisdictions. We operate out of 5 offices in London, Luxembourg, New Delhi, Madrid and Lisbon.

Our name, AnaCap, defines our investment approach: 'Analytics before Capital'. Our investment decisions are founded on a disciplined, operational and data-driven investment approach with support from [Minerva](#), our digital proprietary intelligence platform.

Leveraging our deep expertise as Financial Sector investors, owners and operators, we are an active investor and generate value in Private Equity through our intense operational engagement model and carefully calibrated M&A programmes. In Credit, our active asset management approach focuses on using data intelligently to provide servicing solutions and optimise recoveries.