

# AnaCap Financial Europe delivers strong collections and increased deployment

Financial results for the three months ended 31 March 2021

25 May 2021

AnaCap Financial Europe S.A. SICAV-RAIF (“AFE” or the “Company”) has today announced the financial results for the three months ended 31 March 2021.

Key financial highlights for period are summarised in the table below:

	Three months ended 31 March 2021	Three months ended 31 March 2020	Variance
<b>Gross Attributable Collections</b>	<b>€18.6m</b>	<b>€20.2m</b>	<b>-7.9%</b>
<b>Revenue</b>	<b>€15.3m</b>	<b>€17.5m</b>	<b>-12.6%</b>
<b>Adjusted EBITDA</b>	<b>€10.6m</b>	<b>€12.6m</b>	<b>-15.9%</b>
<b>Total Operating Cost Ratio <sup>1</sup></b>	<b>42.9%</b>	<b>34.5%</b>	<b>+8.4%</b>
<b>Net Debt/Adjusted EBITDA</b>	<b>6.42x</b>	<b>4.22x</b>	<b>+2.2x</b>
<b>84-Month ERC</b>	<b>€460.5m</b>	<b>€496.4m</b>	<b>-7.2%</b>

## Key Highlights:

- Despite ongoing challenges from COVID-19, the Group delivered €18.6m of gross attributable collections vs a target of €16.1m for the quarter ended 31 March 2021, representing a 16% or €2.5m outperformance against reforecast targets set in December 2020 (“Dec-20 RF”).
- Five investments signed in Q1, representing €39m of deployment for 2021 (40% of full year budget), providing further diversification across secured NPLs and direct real estate in France, Italy and the UK.
- Significant available liquidity to take advantage of strong continued pipeline at target returns averaging in excess of 1.8x GMM.
- Further development of AFE’s Asset Management<sup>2</sup> platform, which now has 25 full time employees, driving Master Servicing and targeted internalisation of Special Servicing to optimise performance, generating additional capital-light income for the Company (2021: €0.7m) whilst maintaining low fixed costs overall.

<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.

<sup>2</sup> AFE’s Asset Management platform means the AFE entities engaging in active investment monitoring and oversight to optimise recoveries, the provision of servicing solutions on NPL portfolios and the execution of value-add strategies on real estate assets.

## **Capital Structure and Liquidity**

The Company's liquidity position is strong, with available liquidity of €88m as at 31 March 2021. This keeps the Company in a good position to capitalise on market opportunities swiftly as they arise, with its low, predominantly variable cost base, enabling patience and discipline when required. Net Debt to Adjusted EBITDA rose to 6.4x as expected, following low deployment and lower collections over the last 12 months. However, with performance exceeding COVID reforecasts and capital deployment increasing again, the Company anticipates that leverage will fall below 4x in 2022.

### **Justin Sulger**

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

"We are very encouraged by both the outperformance against our prudent COVID reforecasts as well the ability to capitalise on a very attractive and growing pipeline.

The Company has already made significant progress in its aim to further diversify its portfolio across a broader range of predominantly secured asset types at much higher returns than available in recent years."

### **Teleconference**

At 14.00 hours BST on 25 May 2021, an audio Conference Presentation will be held on the results for the three months ended 31 March 2021. For further details please visit the AFE website at:

[www.anacapfe.com](http://www.anacapfe.com)

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

Eric Verret – Chief Financial Officer AnaCap Financial Europe

Justin Sulger - Partner / Head of Credit

Tel: 44 20 7358 8020

**Or via:**

[www.anacapfe.com](http://www.anacapfe.com)

[info@anacapfe.com](mailto:info@anacapfe.com)



## NOTES TO EDITORS

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

AnaCap Financial Europe S.A. SICAV-RAIF (AFE) invests in a diverse range of primarily non-performing debt and non-core assets across Europe. AFE has broad based expertise spanning unsecured and secured, consumer, SME and corporate debt as well as real estate. 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 a leading specialist mid-market private equity investor, investing through complementary Financial Services Private Equity and Credit strategies.

Since 2009, AnaCap's credit business has raised €2.6bn in gross AUM and completed over 85 investments across 12 European jurisdictions and India. The platform operates out of 7 offices in London, Luxembourg, Madrid, Lisbon, Milan, New Delhi and Mumbai.

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 which enables AnaCap to harness highly granular data and intelligence rapidly into actionable information, and AnaCap Global Services ("AGS"), our team of over 50 data and investment analysts providing lift and support to the European business.

In Credit, our active asset management approach focuses on using data intelligently to enhance recoveries and provide servicing solutions on credit loan portfolios and executing value-add strategies to enhance real estate assets.