



AFE delivers highest ever annual collections performance with strong Adjusted EBITDA growth

Financial results for the Year ended 31st December 2022

29th March 2023

AFE S.A. SICAV-RAIF (“AFE” or the “Company”) has today announced the financial results for the year ended 31st December 2022.

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

	Year Ended 31st December 2022	Year Ended 31st December 2021	Variance
Total Attributable Collections	€156.9m	€131.5m	19.3%
Revenue	€77.7m	€62.0m	25.4%
Adjusted EBITDA	€116.8m	€99.1m	17.8%
Core Collection Cost Ratio	27.1%	26.1%	3.8%
Net Debt/Adjusted EBITDA	3.06x	3.58x	-0.52x
84-Month ERC	552.5	531.1	4.0%

Key Highlights:

- The Company delivered highest ever annual collections performance, with €156.9m of Total Attributable Collections, up 19.3% year-on-year, following its 12th consecutive quarter of outperformance to forecast.
- Collections performance driven by proactive asset management on our highly diversified, seasoned and heavily collateralised NPL portfolio as well as income from its growing direct real estate portfolio.
- 2022 Deployment of €94.8m at a high aggregate 1.9x GMM across a range of secured asset types.
- Adjusted EBITDA of €116.8m for the 12 months ended 31st December 2022, representing a 17.8% increase on the prior year, primarily driven by growth in collections and low fixed cost structure.
- ERC of €552.5m, representing an increase of 4% year-on-year, with additional embedded ERC growth of €66m expected from already contracted follow-on investments.
- Strength of flexible low fixed cost operating model reflected by continued improvement to Adjusted EBITDA, with Core collection cost ratio (including operating expenses) of 27.1% in 2021 vs 26.1% in 2020.
- Net Debt to LTM Adjusted EBITDA of 3.06x, decreasing from 3.58x year-on-year, within the Company’s revised long-term guidance of 3.0 to 3.5x.



Capital Structure and Liquidity

As at 31st December 2022, the Company had Net Debt to Adjusted EBITDA at 3.06x and a LTV ratio of 64.6% against the RCF covenant of 75.0%, and a stable liquidity position of €20.3m. The Company is in advanced discussions with RCF Banks to extend the RCF maturity.

Justin Sulger

Managing Partner, Veld Capital Limited

“AFE delivered its highest ever annual collections performance and strong EBITDA growth, with LTM Adjusted EBITDA increasing 17.8% to €116.8m. This has further decreased leverage to 3.06x, and we have revised long term guidance to 3.0x - 3.5x as a result.

Although our pipeline remains highly attractive, evidenced by €95m of full-year deployment in 2022 at a high aggregate gross money multiple of 1.9x, we are temporarily reducing deployment to enhance liquidity and manage leverage as we work with financial advisors to address upcoming debt maturities.”

Teleconference

At 14.00 hours BST on 29th March 2023, an audio Conference Presentation will be held on the results for the Year ended 31st December 2022. For further details please visit the AFE website at:

www.veld-fe.com

For further information, please contact us via:

Eric Verret – Chief Financial Officer AFE S.A. SICAV-RAIF

Justin Sulger – Managing Partner

Tel: +44 20 4582 3777

Or via:

www.veld-fe.com



NOTES TO EDITORS

AFE S.A. SICAV-RAIF (www.veld-fe.com)

AFE invests in a diverse range of primarily non-performing debt and real estate assets across Europe and provides the central Asset Solutions platform utilised by Veld Capital. Veld Capital was created from the carve out of AnaCap Financial Partner's Credit business. AFE has broad based expertise spanning unsecured and secured consumer, SME and corporate debt as well as direct real estate, further benefiting from the wide network, extensive track record and expertise in origination, underwriting and asset management that Veld Capital (formerly AnaCap Credit) has developed since inception in 2009.