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Diffusione presunta

Oggetto : Agreement for the Acquisition of Altamira
Asset Management

Testo del comunicato

Vedi allegato.

Press release

**DOBANK:
AGREEMENT FOR THE ACQUISITION OF ALTAMIRA ASSET MANAGEMENT**

**DOBANK BECOMES A LEADER IN THE EUROPEAN
CREDIT MANAGEMENT SERVICES MARKET**

Verona, December 31, 2018 – The Board of Directors of doBank S.p.A. (the “**Company**” or “**doBank**”) announces that the Company has signed with Altamira Asset Management Holdings, S.I. (the “**Seller**”) – a holding company owned equally by entities affiliated with funds managed by Apollo Global Management LLC (“**Apollo**”), Canada Pension Plan Investment Board (“**CPPIB**”) and Abu Dhabi Investment Authority (“**ADIA**”) – **an agreement for the acquisition of 85% of Altamira Asset Management S.A. (“Altamira”).** The shareholding involved in the sale may be increased to 100% should Banco Santander S.A. (“**Santander**”), holder of the remaining 15% interest in the share capital of Altamira, decide to exercise its tag-along right provided for in existing agreements before closing. doBank was selected by the Seller following a competitive process.

Altamira is a leader in Southern Europe in the credit and real estate asset management market, with assets under management of approximately €55 billion and operations in Spain, Portugal, Cyprus and Greece. Altamira is expected to post revenues of around €255 million and EBITDA of around €95 million in 2018¹.

The acquisition of 100% of Altamira has been valued at €412 million in enterprise value, plus an earn-out of up to €48 million linked to the developments of the business in the international markets.

Main features and strategic rationale of the operation:

- Leadership in Europe: doBank and Altamira form a leading operator in credit management and real estate services for banks and investors in Europe, with assets under management of over €140 billion (gross book value) and over 2,200 employees;
- Unique positioning in the sector: an independent pure-servicing platform with asset-light model, able to offer its investor clients an exposure to the markets with the highest potential in Europe, due to leadership positions in Italy, Spain, Greece and Cyprus and a significant presence in Portugal, markets with over €650 billion² of non-performing assets;
- Diversified portfolio of assets under management, giving higher resiliency to macro cycles in each single country: more than 30 clients, including 10 systemic banks and some of the main NPL investors, relevant forward-flow agreements with UniCredit and Santander and over 90% of assets coming from medium to long-term contracts. The assets under management of doBank and Altamira do not overlap in terms of markets or clients;

¹ Pro-forma adjusted following the redefinition of the commercial relationship between Altamira and Santander in 2018. The 2018 adjusted pro-forma data are therefore not comparable with the 2017 figures.

² Source: Oliver Wyman “NPA in Spain”, November 2018

- Significant competitive advantage provided by the largest NPL and real estate database in the market: over 1,2 million combined debt positions and over 300,000 real estate assets;
- Because of the integration, a performance improvement of Altamira's NPL portfolio and doBank REO activities is expected. Moreover, additional cross-selling opportunities, leveraging doBank's know-how in managing NPLs and Altamira's highly complementary real estate experience and greater operational efficiency due to the integration of management platforms are expected;
- Low execution risk of integration process: integration plan taking advantage of the distinctive expertise and solid track record of both management teams, which will continue to stay focused in developing the business;
- doBank to preserve a prudent financial profile: acquisition to be entirely financed with doBank liquidity and with bank debt, consistent with the guidelines of the 2018-2020 Business Plan which set a net debt target of no more than 3.0x EBITDA;
- Immediately accretive transaction: positive impact expected on earnings per share and dividend per share as early as 2019, with a positive impact of more than 20% on 2020 expected earnings per share, before the positive impact of synergies. Dividend policy confirmed, with a payout of at least 65% of consolidated ordinary net profit;
- The transaction closing is subject to the occurrence of certain conditions in line with market practice and is expected to be completed by May 2019, also following the completion of the new corporate structure of doBank, as a result of which doBank will cease to be considered a banking group.

Altamira Asset Management

Altamira is one of the main independent servicers of non-performing loans and real estate assets in Southern Europe, with assets under management of approximately €55 billion, a presence in the Spanish, Cypriot, Portuguese and Greek markets and over 1,000 employees.

Consistent with doBank's business model, Altamira is an independent servicer with an asset-light structure and long-term partnerships with leading financial institutions and international investors, including Santander, Sareb, a company controlled by the Spanish Government and founded in 2012 to support the Spanish banking sector through the transfer of assets from banks in difficulties, Bain Capital, Apollo, CPP Investment Board, PRA Group and Axactor.

Altamira's services include NPL servicing, the sale, development and management of real estate assets, advisory and portfolio management services that make it as a one-stop-shop for its customers.

Altamira is the main servicer in the Spanish market, with a market share of around 15% in 2017 and has been awarded, among others, a major contract for the management of a share of future flows of NPLs and real estate assets of Santander. Since 2017, Altamira has also successfully developed an international presence in Portugal, with the award of the Oitante contract of about €1.2 billion, in Cyprus, with a contract for the management of assets originated by the Cyprus Cooperative Bank of about €7.5 billion, and in Greece, with the establishment of a local company.

Altamira is expected to post revenues of around €255 million and EBITDA³ of about €95 million in 2018. The profitability of Altamira's contracts and a business model characterised by limited investment needs translate into substantial operating cash generation of potentially more than €90 million in 2018.

Main terms and financing of the operation

The agreement provides for doBank to acquire up to 100% of Altamira's share capital, including its international operations in Greece, Portugal and Cyprus.

Santander holds 15% of Altamira's share capital and under the existing shareholder agreement with the Seller and Altamira it has the right to sell its stake to doBank, exercising a tag-along right on the same terms and conditions provided for in the sale contract between doBank and the Seller. Should Santander decide to maintain its holding in Altamira, doBank will replace the Seller in all rights and obligations deriving from the shareholder agreement in place with Santander from the closing date.

doBank is evaluating a possible co-investment at closing by one of the current indirect shareholders of Altamira. In any event, doBank intends to maintain a controlling stake in Altamira.

The acquisition of 100% of the share capital of Altamira has been valued €412 million in terms of enterprise value, plus an earn-out of up to €48 million to be paid to the selling shareholders subject to the occurrence of certain conditions linked to development of the international markets. The consideration is subject to adjustment at closing upon the occurrence of certain events as per market practice.

It is expected that the transaction will be financed with doBank liquidity and the use of a 5-year bank credit line of up to €450 million underwritten by a syndicate of domestic and international banks, which will be used to acquire the share capital of Altamira and refinance Altamira's existing debt.

The credit line will bear an interest rate of 6-month Euribor plus an initial spread of 250 basis points, linked to changes in consolidated leverage. Considering the entire capital of Altamira, as a result of the transaction, doBank's leverage in terms of net debt over EBITDA is expected to stay below 3x, and then decline rapidly as a consequence of the expected high level of cash generation.

Closing of the transaction

The closing of the transaction is subject to the occurrence of certain conditions in line with market practice and is expected to be completed by May 2019, also upon implementation of the new corporate structure of doBank, which provides for the doBank Group to cease to be considered a banking group.

Advisors

Mediobanca and UBS Investment Bank are acting as financial advisors on the transaction, while legal advice has been provided by Ashurst, Oliver Wyman acted as strategic advisor and PwC assisted doBank with financial due diligence, tax, labour law and ICT & Operations matters.

³ Pro-forma adjusted following the redefinition of the commercial relationship between Altamira and Santander in 2018. The 2018 adjusted pro-forma data are therefore not comparable with the 2017 figures.

Webcast conference call

The transaction will be presented on Tuesday, **January 8 at 15:00 CET** in a conference call in audio-webcast format held by the Group's top management.

The conference call can be followed via webcast by connecting to the bank's website at www.dobank.com or the following URL: <http://services.choruscall.eu/links/dobank190108.html>.

As an alternative to the webcast, it will be possible to participate in the conference call by calling one of the following numbers:

ITALY: +39 02 805 88 11

UK: +44 121 281 8003

USA: +17187058794

The presentation by top management will be available as from the start of the conference call on the www.dobank.com site in the "Investor Relations/Financial Reports and Presentations" section.

doBank S.p.A.

doBank, listed on the Electronic Stock Market (*Mercato Telematico Azionario*) organised and operated by Borsa Italiana S.p.A. since July 2017, is a leader in Italy in the business of managing primarily non-performing loans. With more than 18 years of experience in the sector, the Group is a long-standing partner of leading financial institutions and national and international investors. It had a portfolio of assets under management of €77 billion (in terms of gross book value) at December 31, 2017. Managing all phases of the loan lifecycle with an advanced operational approach and the highest servicer ratings in Europe, in 2017 the Group had gross revenues of about €213.0 million, with an EBITDA margin of 33% and strong cash generation.

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