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Oggetto	:	S&P and Fitch assign "BB" rating, stable outlook - Trading and liquidity update as at June 30, 2020

Testo del comunicato

Vedi allegato.

doValue

Press release

RATING AGENCIES S&P GLOBAL RATINGS AND FITCH RATINGS ASSIGN "BB" CORPORATE RATINGS, OUTLOOK STABLE

TRADING AND LIQUIDITY UPDATE AS AT JUNE 30, 2020

Rome, July 10th, 2020 – doValue, the leading operator in Southern Europe in credit management and real estate services for banks and investors ("doValue" or "the Group"), is pleased to announce that rating agencies S&P Global Ratings and Fitch Ratings ("S&P", "Fitch", collectively the "Agencies") have both assigned doValue a "BB" corporate rating with stable outlook and to provide a trading and liquidity update, based on preliminary, unaudited information as at June 30, 2020. The approval of the Consolidated Half-Year Report at June 30, 2020 is confirmed on August 4th, 2020.

New assignment of Credit Ratings

S&P and Fitch already rate doValue and subsidiary Italfondiario with top Special Servicer and Master Servicer rankings in Europe, one of the Group's competitive advantages in the loan servicing market. As of today, the Agencies also rate doValue from a Corporate rating perspective ("BB", outlook stable from both Agencies).

Our management believes the ratings are a positive confirmation of doValue's leading market position in Europe, long-term contracts and solid earnings generation. Any negative impact of COVID can moreover be considered temporary, given the counter-cyclical nature of the industry, with an improved outlook for the servicing pipeline in the coming years. Moreover, doValue confirms its strong operating cash flow generation and EBITDA improvements via both organic and inorganic growth.

The decision to seek Corporate credit ratings is in the context of doValue's financial policy and proactive approach to credit markets, aiming at a diversified funding base.

For more information, the press releases issues by the Agencies are available the following links (link 1 and link 2).

Trading and liquidity update

The direct effects of the COVID-19 pandemic and the lockdown measures implemented by European governments in response thereto resulted in a challenging operating environment for our industry, and short-term visibility remains limited. This notwithstanding, legal courts, instrumental to both in-court and out-of-court credit management, progressively reopened since mid-May and court activity levels, while below normal, show gradually increasing volumes, a positive sign in the current context. Consequently, collections trends into June are in line with the Group's sensitivity scenarios, with June trends improving as compared with May on a year-on-year basis and are broadly consistent with current consensus expectations.

Based on preliminary, unaudited data, the Group expects the following results for the first six months of 2020 (as compared with the first six months of 2019):

- Collections, excluding the FPS acquisition, between €1,400 million and €1,500 million (€930 million for the six months ended June 30, 2019);
- Gross Revenues between €150 million and €170 million (€112 million for the six months ended June 30, 2019). Pro-forma[1] Gross Revenues between €200 million and €220 million (€313 million for the six months ended June 30, 2019);
- EBITDA excluding non-recurring items between €33 million and €38 million (€39 million for the six months ended June 30, 2019). Pro-forma EBITDA excluding non-recurring items between €62 million and €66 million (€127 million for the six months ended June 30, 2019).

In terms of assets under management, despite the challenging backdrop, during the six months ended June 30, 2020, we have entered into new Servicing mandates with investors with a GBV of €3.3 billion and our forward flow agreement have added more than €1.3 billion to our GBV of assets under management over the course of the first quarter of 2020 only. This is a testament to the current servicing pipeline in southern Europe, which remains solid.

From a cost perspective, our business model has proven flexible and provides a layer of protection in the current environment. We enacted cost efficiency measures in each of our markets, including a material reduction of variable personnel expenses and general expenses.

The EBITDA trend and the mentioned cost actions allowed us to protect and grow our cash flow, with cash on hand of approximately €190 million and committed credit lines of €75 million remaining undrawn at the end of June 2020[2]. Consequently, we expect leverage (ratio of Net Debt to EBITDA) to remain below 3x at the end of June 2020 and do not expect to have financial covenants constraints over the medium term.

For more information, an updated doValue corporate presentation is available here.

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doValue S.p.A.

doValue, formerly doBank S.p.A., is the leading operator in Southern Europe in credit management and real estate services for banks and investors. Present in Italy, Spain, Portugal, Greece and Cyprus, doValue has some 20 years of industry experience and manages assets of more than €130 billion (gross book value) with over 2,350 employees and an integrated range of services: special servicing of NPLs, UTPs, early arrears and performing positions, real estate servicing, master servicing, data processing and provision and other ancillary services. doValue is listed on the Electronic Stock Market (Mercato Telematico Azionario) operated by Borsa Italiana S.p.A. and, including the acquisition of Altamira Asset Management, recorded gross revenues in 2019 of about €364 million with an EBITDA margin of 39%.

[1] Including the effects of the Altamira and FPS acquisitions
[2] Including a €25m credit line expected to be finalized on or about 10 July 2020

doValue

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This release may contain certain forward-looking statements and forecasts that relate to events and depend on circumstances that will occur in the future and which, by their nature, will have an impact on the Group's business, financial condition and results of operations. The terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology are used to identify forward-looking statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to, the impact of the Covid-19 pandemic and government responses thereto, implementation of the Group's strategy and its ability to further grow, the ability to develop new services and enhance existing services, the impact of competition, changes in general economy and industry conditions and legislative, and regulatory and political factors. While we always intend to express our best judgment when we make statements about what we believe will occur in the future, and although we base these statements on assumptions that we believe to be reasonable when made, these forward-looking statements are not a guarantee of our performance, and you should not place undue reliance on such statements. Forward-looking statements are subject to many risks, uncertainties and other variable circumstances. Such risks and uncertainties may cause the statements to be inaccurate and readers are cautioned not to place undue reliance on such statements. Many of these risks are outside of our control and could cause our actual results to differ materially from those we thought would occur. The forward-looking statements included in this release are made only as of the date hereof. We do not undertake, and specifically disclaim, any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments. This release does not constitute, or form part of, an offer or invitation to sell or issue, or any solicitation of an offer to buy or subscribe for, any securities in the United States or any other jurisdiction nor shall it (or any part of this announcement) or the fact of its distribution form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment.

The unaudited preliminary financial information presented above is based on unaudited management reports prepared since March 31, 2020 and is not intended to be a comprehensive statement of our financial or operational results for such period. The unaudited preliminary financial information was not prepared with a view towards compliance with published guidelines of the CONSOB, ESMA, SEC, the guidelines established by any auditing institute for preparation and presentation of unaudited preliminary financial information or IFRS. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to such unaudited preliminary financial information for the purpose of its inclusion herein and accordingly, they have not expressed an opinion or provided any form of assurance with respect thereto. The unaudited preliminary financial information set out above does not take into account any circumstances or events occurring after the period to which it refers and is based on a number of assumptions that are subject to inherent uncertainties subject to change. In addition, although we believe the unaudited preliminary financial information to be reasonable, our actual results for the six months ended June 30, 2020 may vary from the information contained above and such variations could be material and our estimates regarding Collections and EBITDA should not be considered to be a substitute for or indicative of our net income for the same periods. As such, you should not place undue reliance on the inclusion of such unaudited preliminary financial information and it should not be regarded as an indication that it will be an accurate prediction of future events. We did not formally close our books and records for any of the months ended April 30, 2020, May 31, 2020 or June 30, 2020. No IFRS financial information for any period after March 31, 2020 is currently available and we have not yet prepared condensed consolidated financial statements for the six months ended June 30, 2020. Our six-month reports as of and for the period ending June 30, 2020 are expected to be finalized and delivered in August 2020.

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