

<p>Informazione Regolamentata n. 1967-8</p>	<p>Data/Ora Inizio Diffusione 12 Gennaio 2024 21:45:03</p>	<p>Euronext Star Milan</p>
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Societa' : DOVALUE

Identificativo Informazione Regolamentata : 185292

Nome utilizzatore : Della Seta

Tipologia : 2.2; 1.2

Data/Ora Ricezione : 12 Gennaio 2024 21:45:03

Data/Ora Inizio Diffusione : 12 Gennaio 2024 21:45:03

Oggetto : BOARD OF DIRECTORS APPROVES NEW IAS 34 COMPLIANT CONSOLIDATED INTERIM REPORT AS OF SEPTEMBER 30, 2023

Testo del comunicato

Vedi allegato



PRESS RELEASE

BOARD OF DIRECTORS APPROVES NEW IAS 34 COMPLIANT CONSOLIDATED INTERIM REPORT AS OF SEPTEMBER 30, 2023, ANNOUNCES INVESTOR CALL AND CREDIT INVESTOR MEETINGS

Rome, January 12th, 2024 – The Board of Directors of doValue S.p.A. (the "Company" or "doValue" and, together with its subsidiaries, the "Group") today approved a new consolidated interim report as of September 30, 2023 (the "New Report"). The New Report has been prepared in accordance with the applicable international accounting principles for interim financial reporting (IAS 34). The New Report entirely replaces, restates and amends the consolidated interim report as of September 30, 2023 previously published by the Company and approved by the Board of Directors on November 9, 2023, which had not been prepared in accordance with IAS 34 (the "Existing Report"). IAS 34 is generally applied by the Company only for the half-yearly reports as of June 30 or when any quarterly reports are to be used in the context of potential capital markets transactions.

The New Report has to take into account certain material events that occurred after the approval of the Existing Report and up to the approval date of the New Report. Specifically, in light of the preliminary Business Plan 2024-2026 for the Iberia Region, which was approved by the Board of Directors today, the Group proceeded with recording an adjustment of certain intangible asset values (namely, SLA brand, deferred tax assets and Goodwill) mainly related to the activities of the Group in Iberia Region. These adjustments have no cash impact, and therefore no changes were recorded in the net financial indebtedness or EBITDA of the Company compared to what was previously included in the Existing Report.

The negative effect of such adjustments is partially offset by the positive impact of a recent settlement agreement entered with a customer in the ordinary course of business, which resulted in the release of a provision for risks and charges previously set aside. Therefore, the overall negative non-monetary impact of the accounting adjustments on the net result of the Group for the nine months ended 30 September 2023 amounts to Euro 36.7 million, of which Euro 31.4 million attributable to the Shareholders of the Parent Company and Euro 5.3 million attributable to Non-controlling interests.

The notes to the New Report also include a material update in the Section "Significant Events after the end of the period", particularly focusing on the recent developments related to the arbitration proceeding between doValue S.p.A. and Altamira Asset Management Holdings S.L. ("AAMH") as a result of which, *inter alia*, AAMH was ordered to reimburse the amount of approximately Euro 28 million, plus interest, to doValue Spain Servicing SA ("doValue Spain"). As per previous Company announcement, the dispute relates to amounts paid in 2021 by doValue Spain to the Spanish tax authority following a tax assessment related to facts and events that occurred prior to the acquisition by the Company of doValue Spain. Although a separate action pursued by AAMH for the partial annulment of the arbitration award is currently ongoing, an executive order enforcing the arbitration award was issued on December 21, 2023 by the competent courts imposing, *inter alia*, the seizure of all AAMH's assets. This enforcement process is still subject to potential legal opposition by AAMH within the prescribed terms. In view of these developments, the Group foresees that a significant asset will be recorded and anticipates realizing a cash amount of at least approximately Euro 22 million. The Company foresees a positive impact on both cash flow and net leverage, expected in the first quarter of 2024.

The New Report thus records an EBIT of Euro 27.1 million versus Euro 52.8 million recorded in the Existing Report and negative net income result attributable to the Shareholders of the Parent Company of Euro 25.7 million for the nine months ending 30, September 2023 compared to a positive net income result of Euro 5.7 million recorded in the Existing Report. The Company believes that, due to these non-cash adjustments, the 2023 fiscal year will close with a single digit positive net result, and confirms the EBITDA and Leverage guidance communicated to the market in November 2023, as well as the sustainability of its financial structure. Also due to strikes of notary and courts in Greece affecting certain recoveries in the last part of 2023 which will be postponed to the first quarter of 2024, the Company believes that Revenues are expected to be slightly lower than the lower-end guidance previously communicated (ca. 2%).

The Company continues evaluating and monitoring market conditions in accordance with its financial strategy, also with respect to a potential refinancing of its existing debt maturities in the high-yield bond market.

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Main Consolidated Results and KPIs of the New Report

Income Statement and Other Data	9M 2023 <i>Jan 24</i>	9M 2023 <i>Nov 23</i>	9M 2022
Collections	€3,399m	€3,399m	€3,907m
Collection Rate	4.5%	4.5%	4.0%
Gross Revenues	€335.2m	€335.2m	€425.5m
Net Revenues	€304.6m	€304.6m	€380.0m
Operating Expenses	€189.3m	€189.3m	€230.4m
EBITDA including non-recurring items	€115.3m	€115.3m	€149.6m
EBITDA excluding non-recurring items	€115.4m	€115.4m	€151.9m
EBITDA margin excluding non-recurring items	34.4%	34.4%	35.7%
Net Income including non-recurring items	€(25.7)m	€5.7m	€39.2m
Net Income excluding non-recurring items	€(14.2)m	€19.3m	€45.6m
Capex	€9.2m	€9.2m	€13.7m

Balance Sheet and Other Data	30-Sept-23 <i>Jan 24</i>	30-Sept-23 <i>Nov 23</i>	31-Dec-22
Gross Book Value	€117,768m	€117,768m	€120,478m
Net Debt	€485.5m	€485.5m	€429.9m
Financial Leverage (Net Debt / EBITDA LTM ex NRIs)	2.9x	2.9x	2.1x



Investor call

The Company is pleased to invite investors on Tuesday, January 16, 2024, at 11:30 AM (CEST) during a conference call held by the Group's management.

doValue plans on discussing market outlook, business and financial performance, including the new consolidated interim report as of September 30, 2023, followed by Q&A with investors. Following the investor call, the company will host a series of credit investor meetings, which will be an opportunity for credit investors to interact with the management team in small group meetings format.

The conference call can be followed via webcast by connecting to the following URL:

<https://www.netroadshow.com/events/login?show=37228e7d&confld=59706>

As an alternative to webcast, you can join the conference call by calling one of the following numbers:

United Kingdom (Local): +44 20 3936 2999
United Kingdom (Toll-Free): +44 800 358 1035
Access Code: 515082

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



Certification of the Financial Reporting Officer

Davide Soffietti, in his capacity as Financial Reporting Officer responsible for preparing corporate accounting documents, certifies – pursuant to Article 154-bis, paragraph 2, of Legislative Decree 58/1998 (Testo Unico della Finanza) – that the accounting information in this press release is consistent with the data in the accounting documentation, books and other accounting records.

The Consolidated Interim Report as of September 30th, 2023, will be made available to the public at the Company's headquarters and at Borsa Italiana, as well as on the website www.dovalue.it in the "Investor Relations / Financial Reports and Presentations" section by the statutory deadlines.

We inform you that doValue S.p.A. has adopted the simplified rules provided for in Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Consob Issuers Regulation no. 11971/1999, subsequently amended, and has therefore exercised the option to derogate from compliance with the obligations to publish the information documents provided for in Articles 70, paragraph 6, and 71, paragraph 1, of that Regulation on the occasion of significant mergers, spin-offs, capital increases through the contribution of assets in kind, acquisitions and sales.

doValue is the main operator in Southern Europe in the management of credit and real estate for banks and investors. With more than 20 years of experience and approximately €120 billion of assets under management (Gross Book Value) as of September 30th, 2023 across Italy, Spain, Portugal, Greece and Cyprus, doValue Group's activities contribute to the economic growth by promoting the sustainable development of the financial system. The doValue Group offers an integrated range of services: management of Non-Performing Loans (NPL), Unlikely To Pay (UTP), Early Arrears, performing credit, real estate management, master servicing, data processing and other ancillary services for credit management. The shares of doValue are listed on the STAR segment of Euronext Milan (EXM) and, in 2022, the Group reported Gross Revenues of €558 million and EBITDA excluding non-recurring items of €202 million.

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This announcement does not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in the United States or in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

This announcement may include projections and other "forward-looking" statements within the meaning of applicable securities laws. Any such projections or statements reflect the current views of the Company about future events and financial performance. The use of any of the words "expect," "anticipate," "continue," "will," "project," "should," "believe," "plans," "intends" and similar expressions are intended to identify forward-looking information or statements. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that such statements and information will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements and information contained in this announcement are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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CONDENSED INCOME STATEMENT (€ '000)

Condensed Income Statement	9/30/2023	9/30/2022	Change €	Change %
Servicing Revenues:	<u>291,498</u>	<u>390,305</u>	<u>(98,807)</u>	<u>(25.3)%</u>
o/w: NPE revenues	251,623	326,188	(74,565)	(22.9)%
o/w: REO revenues	39,875	64,117	(24,242)	(37.8)%
Co-investment revenues	1,064	1,141	(77)	(6.7)%
Ancillary and other revenues	42,592	34,083	8,509	25.0%
Gross revenues	335,154	425,529	(90,375)	(21.2)%
NPE Outsourcing fees	(10,692)	(16,111)	5,419	(33.6)%
REO Outsourcing fees	(7,256)	(19,514)	12,258	(62.8)%
Ancillary Outsourcing fees	(12,569)	(9,891)	(2,678)	27.1%
Net revenues	304,637	380,013	(75,376)	(19.8)%
Staff expenses	(141,751)	(158,580)	16,829	(10.6)%
Administrative expenses	(47,551)	(71,871)	24,320	(33.8)%
<i>Total o.w. IT</i>	<i>(19,604)</i>	<i>(25,578)</i>	<i>5,974</i>	<i>(23.4)%</i>
<i>Total o.w. Real Estate</i>	<i>(3,801)</i>	<i>(5,161)</i>	<i>1,360</i>	<i>(26.4)%</i>
<i>Total o.w. SG&A</i>	<i>(24,146)</i>	<i>(41,132)</i>	<i>16,986</i>	<i>(41.3)%</i>
Operating expenses	(189,302)	(230,451)	41,149	(17.9)%
EBITDA	115,335	149,562	(34,227)	(22.9)%
EBITDA margin	34%	35%	(1)%	(2.1)%
Non-recurring items included in EBITDA	(79)	(2,357)	2,278	(96.6)%
EBITDA excluding non-recurring items	115,414	151,919	(36,505)	(24.0)%
EBITDA margin excluding non-recurring items	34.4%	35.7%	(1.3)%	(3.5)%
Net write-downs on property, plant, equipment and intangibles	(76,437)	(47,919)	(28,518)	59.5%
Net provisions for risks and charges	(13,015)	(7,317)	(5,698)	77.9%
Net write-downs of loans	1,207	265	942	n.s.
EBIT	27,090	94,591	(67,501)	(71.4)%
Net income (loss) on financial assets and liabilities measured at fair value	1,586	(1,170)	2,756	n.s.
Net financial interest and commissions	(23,614)	(21,279)	(2,335)	11.0%
EBT	5,062	72,142	(67,080)	(93.0)%
Non-recurring items included in EBT	(11,833)	(8,490)	(3,343)	39.4%
EBT excluding non-recurring items	16,895	80,632	(63,737)	(79.0)%
Income tax for the period	(30,996)	(22,984)	(8,012)	34.9%
Profit (Loss) for the period	(25,934)	49,158	(75,092)	n.s.
Profit (loss) for the period attributable to Non-controlling interests	267	(9,977)	10,244	(102.7)%
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	(25,667)	39,181	(64,848)	n.s.
Non-recurring items included in Profit (loss) for the period	(12,249)	(6,849)	(5,400)	78.8%
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(784)	(400)	(384)	96.0%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	(14,202)	45,630	(59,832)	(131.1)%
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	517	10,377	(9,860)	(95.0)%
Earnings per share (in Euro)	(0.32)	0.50	(0.82)	n.s.
Earnings per share excluding non-recurring items (Euro)	(0.18)	0.58	(0.76)	(131.1)%

**CONDENSED BALANCE SHEET (€ '000)**

Condensed Balance Sheet	9/30/2023	12/31/2022	Change €	Change %
Cash and liquid securities	95,667	134,264	(38,597)	(28.7)%
Financial assets	52,374	57,984	(5,610)	(9.7)%
Property, plant and equipment	52,410	59,191	(6,781)	(11.5)%
Intangible assets	472,526	526,888	(54,362)	(10.3)%
Tax assets	100,586	118,226	(17,640)	(14.9)%
Trade receivables	158,902	200,143	(41,241)	(20.6)%
Assets held for sale	16	13	3	23.1%
Other assets	55,471	29,889	25,582	85.6%
Total Assets	987,952	1,126,598	(138,646)	(12.3)%
Financial liabilities: due to banks/bondholders	581,179	564,123	17,056	3.0%
Other financial liabilities	115,751	120,861	(5,110)	(4.2)%
Trade payables	48,282	70,381	(22,099)	(31.4)%
Tax liabilities	59,252	67,797	(8,545)	(12.6)%
Employee termination benefits	8,582	9,107	(525)	(5.8)%
Provisions for risks and charges	30,481	37,655	(7,174)	(19.1)%
Other liabilities	48,357	75,754	(27,397)	(36.2)%
Total Liabilities	891,884	945,678	(53,794)	(5.7)%
Share capital	41,280	41,280	-	n.s.
Reserves	37,289	83,109	(45,820)	(55.1)%
Treasury shares	(4,006)	(4,332)	326	(7.5)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(25,667)	16,502	(42,169)	n.s.
Net Equity attributable to the Shareholders of the Parent Company	48,896	136,559	(87,663)	(64.2)%
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	940,780	1,082,237	(141,457)	(13.1)%
Net Equity attributable to Non-Controlling Interests	47,172	44,361	2,811	6.3%
Total Liabilities and Net Equity	987,952	1,126,598	(138,646)	(12.3)%

Changed items versus Existing ReportConsolidated Balance Sheet

Intangible assets (Euro -28.2 million)
Provision for risks and charges (-2.5 million)
Deferred tax assets (Euro -14.5 million)
Deferred tax liabilities (-3.6 million)

Consolidated Income Statement.

Depreciation, amortisation and impairment (-28.2 million)
Net provision for risks and charges (+2.5 million)
Income tax expense (-11.0 million)

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CONDENSED CASH FLOW (€ '000)

Condensed Cash flow	9/30/2023	9/30/2022	12/31/2022
EBITDA	115,335	149,562	198,708
Capex	(9,160)	(13,733)	(30,833)
EBITDA-Capex	106,175	135,829	167,875
as % of EBITDA	92%	91%	84%
Adjustment for accrual on share-based incentive system payments	(4,761)	4,810	5,557
Changes in Net Working Capital (NWC)	(10,269)	(26,950)	(15,137)
Changes in other assets/liabilities	(53,175)	(49,771)	(74,697)
Operating Cash Flow	37,970	63,918	83,598
Corporate Income Tax paid	(19,961)	(25,368)	(44,042)
Financial charges	(23,329)	(20,200)	(27,146)
Free Cash Flow	(5,320)	18,350	12,410
(Investments)/divestments in financial assets	2,285	2,428	3,664
Dividends paid to minority shareholders	(5,000)	(5,002)	(5,002)
Dividends paid to Group shareholders	(47,618)	(36,763)	(39,140)
Net Cash Flow of the period	(55,653)	(20,987)	(28,068)
Net financial Position - Beginning of period	(429,859)	(401,791)	(401,791)
Net financial Position - End of period	(485,512)	(422,778)	(429,859)
Change in Net Financial Position	(55,653)	(20,987)	(28,068)

(*) It should be noted that for the sole purpose of better representing the dynamics involving the net working capital, a reclassification was made of the movements related to the "Advance to Suppliers" and to the "Contractual Advance from ERB" from item "Changes in other assets/liabilities" to item "Changes in Net Working Capital (NWC)" for a total of €29.4 as at Sept-23; €19.5m in Sept-22 and €17.9m in Dec-22



ALTERNATIVE PERFORMANCE INDICATORS

KPIs	9/30/2023	9/30/2022	12/31/2022
Gross Book Value (EoP) - Group	117,768,420	137,343,130	120,478,346
Collections of the period - Group	3,398,809	3,906,556	5,494,503
LTM Collections / GBV EoP - Group - Stock	4.5%	4.0%	4.1%
Gross Book Value (EoP) - Italy	68,710,519	72,481,364	72,031,038
Collections of the period - Italy	1,163,734	1,218,305	1,707,403
LTM Collections / GBV EoP - Italy - Stock	2.5%	2.6%	2.5%
Gross Book Value (EoP) - Iberia	11,230,354	26,405,149	11,650,908
Collections of the period - Iberia	835,620	1,570,705	1,965,314
LTM Collections / GBV EoP - Iberia - Stock	9.6%	6.7%	9.2%
Gross Book Value (EoP) - Hellenic Region	37,827,547	38,456,618	36,796,401
Collections of the period - Hellenic Region	1,399,455	1,117,546	1,821,787
LTM Collections / GBV EoP - Hellenic Region - Stock	7.0%	5.0%	6.1%
Staff FTE / Total FTE Group	42.6%	44.0%	45.0%
EBITDA	115,335	149,562	198,708
Non-recurring items (NRIs) included in EBITDA	(79)	(2,357)	(2,979)
EBITDA excluding non-recurring items	115,414	151,919	201,687
EBITDA margin	34.4%	35.1%	35.6%
EBITDA margin excluding non-recurring items	34.4%	35.7%	36.1%
Profit (loss) for the period attributable to the shareholders of the Parent Company	(25,667)	39,181	16,502
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(11,465)	(6,449)	(34,061)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	(14,202)	45,630	50,563
Earnings per share (Euro)	(0.32)	0.50	0.21
Earnings per share excluding non-recurring items (Euro)	(0.18)	0.58	0.64
Capex	9,160	13,733	30,833
EBITDA - Capex	106,175	135,829	167,875
Net Working Capital	110,620	140,074	129,762
Net Financial Position	(485,512)	(422,778)	(429,859)
Leverage (Net Debt / EBITDA excluding non-recurring items LTM)	2.9x	1.8x	2.1x

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SEGMENT REPORTING (€ '000)

(€/000)

Condensed Income Statement (excluding non-recurring items)	First Nine Months 2023			
	Italy	Hellenic Region	Iberia	Total
Servicing revenues	84,383	158,939	48,176	291,498
o/w NPE Revenues	84,383	140,200	27,040	251,623
o/w REO Revenues	-	18,739	21,136	39,875
Co-investment revenues	1,064	-	-	1,064
Ancillary and other revenues	27,674	12,737	2,181	42,592
Gross Revenues	113,121	171,676	50,357	335,154
NPE Outsourcing fees	(4,893)	(3,398)	(2,401)	(10,692)
REO Outsourcing fees	-	(3,141)	(4,115)	(7,256)
Ancillary Outsourcing fees	(12,157)	-	(412)	(12,569)
Net revenues	96,071	165,137	43,429	304,637
Staff expenses	(56,006)	(54,230)	(31,515)	(141,751)
Administrative expenses	(17,283)	(15,570)	(14,619)	(47,472)
o/w IT	(6,685)	(7,153)	(5,766)	(19,604)
o/w Real Estate	(1,001)	(1,847)	(953)	(3,801)
o/w SG&A	(9,597)	(6,570)	(7,900)	(24,067)
Operating expenses	(73,289)	(69,800)	(46,134)	(189,223)
EBITDA excluding non-recurring items	22,782	95,337	(2,705)	115,414
EBITDA margin excluding non-recurring items	20.1%	55.5%	(5.4)%	34.4%
Contribution to EBITDA excluding non-recurring items	19.7%	82.6%	(2.3)%	100.0%

Condensed Income Statement (excluding non-recurring items)	First Nine Months 2023 vs 2022			
	Italy	Hellenic Region	Iberia	Total
Servicing revenues				
First Nine Months 2023	84,383	158,939	48,176	291,498
First Nine Months 2022	105,204	190,077	95,024	390,305
Change	(20,821)	(31,138)	(46,848)	(98,807)
Co-investment revenues, ancillary and other revenues				
First Nine Months 2023	28,738	12,737	2,181	43,656
First Nine Months 2022	27,416	2,681	5,127	35,224
Change	1,322	10,056	(2,946)	8,432
Outsourcing fees				
First Nine Months 2023	(17,050)	(6,539)	(6,928)	(30,517)
First Nine Months 2022	(14,014)	(5,983)	(25,519)	(45,516)
Change	(3,036)	(556)	18,591	14,999
Staff expenses				
First Nine Months 2023	(56,006)	(54,230)	(31,515)	(141,751)
First Nine Months 2022	(63,253)	(53,285)	(42,042)	(158,580)
Change	7,247	(945)	10,527	16,829
Administrative expenses				
First Nine Months 2023	(17,283)	(15,570)	(14,619)	(47,472)
First Nine Months 2022	(20,482)	(18,705)	(30,327)	(69,514)
Change	3,199	3,135	15,708	22,042
EBITDA excluding non-recurring items				
First Nine Months 2023	22,782	95,337	(2,705)	115,414
First Nine Months 2022	34,871	114,785	2,263	151,919
Change	(12,089)	(19,448)	(4,968)	(36,505)
EBITDA margin excluding non-recurring items				
First Nine Months 2023	20.1%	55.5%	(5.4)%	34.4%
First Nine Months 2022	26.3%	59.5%	2.3%	35.7%
Change	(6)p.p.	(4)p.p.	(8)p.p.	(1)p.p.

Fine Comunicato n.1967-8

Numero di Pagine: 11