

Informazione Regolamentata n. 1693-21-2024	Data/Ora Inizio Diffusione 22 Aprile 2024 18:43:02	Euronext Star Milan
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Societa' : GENERALFINANCE S.p.A.

Identificativo Informazione
Regolamentata : 189385

Utenza - Referente : GENERALFINANCEN01 - Saviolo

Tipologia : REGEM

Data/Ora Ricezione : 22 Aprile 2024 18:43:02

Data/Ora Inizio Diffusione : 22 Aprile 2024 18:43:02

Oggetto : GENERALFINANCE SPA: Results as at 31
March 2024 approved

Testo del comunicato

Vedi allegato



RESULTS AS AT 31 MARCH 2024 APPROVED

Generalfinance closed the first three months of 2024 with a net profit of EUR 4.9 million, up 66% YoY

Significant growth in core business, turnover¹ at EUR 622 million (+23%) and EUR 482 million of disbursements (+17%)

Excellent credit quality confirmed: gross NPE ratio² at 0.6% and cost of risk³ zero

INCOME PERFORMANCE

- Net profit of EUR 4.9 million, +66% compared to the same period of 2023
- *Cost/income ratio*⁴ at 31% compared to 41% over the same period in 2023
- ROE⁵ of 29%, significantly higher than the cost of capital

FURTHER GROWTH IN THE CORE BUSINESS

- Flow of loans disbursed at EUR 482 million, +17% YoY
- Turnover¹ at EUR 622 million, +23% over the same period of 2023

Roughly 79% of advances covered by insurance guarantee, through the long-established strategic partnership with Allianz Trade, a global leader in credit insurance.

Milan, Italy, 22 April 2024. The Board of Directors of Generalfinance – meeting under the chairmanship of **Professor Maurizio Dallochio** – approved the interim report on operations for the first three months of 2024, which shows a **net profit of EUR 4.9 million**, up (+66%) compared to the same period of 2023 and **shareholders' equity of EUR 71.3 million**.

Massimo Gianolli, Chief Executive Officer of Generalfinance, declared: **“The first three months of 2024 showed a trend in line with forecasts.**

We recorded an excellent commercial performance with business growth of 23% and overall profitability significantly up on the previous year. The return on invested capital improved further to 29%, as did the cost/income ratio at 31% confirming high operational efficiency. We are constantly striving to support customers with customised financial solutions, at a time in the economic cycle when it is particularly important to provide rapid answers and specialised assistance to businesses”.

¹ Turnover including operations involving advances on future receivables

² Gross non-performing loans divided by gross loans to customers

³ Net value adjustments on loans divided by annual disbursement

⁴ Operating costs – net of non-recurring expenses – divided by net interest and other banking income

⁵ Net profit divided by equity minus net profit

Main reclassified income statement data (in thousands of Euro)

Income for:	31.03.2024	31/03/2023	Change
Net interest income	2,619	1,746	50%
Net fee and commission income	7,952	6,025	32%
Net interest and other banking income	10,571	7,771	36%
Operating costs	-3,317	-3,213	3%
Pre-tax profit from current operations	7,289	4,451	64%
Profit for the year	4,878	2,938	66%

Key balance sheet data (in thousands of Euro)

Balance sheet item	31.03.2024	Year 2023	Change
Financial assets measured at amortised cost	372,577	462,365	-19%
Financial liabilities measured at amortised cost	393,405	409,388	-4%
Shareholders' equity	71,329	66,433	7%
Total assets	495,086	500,043	-1%

Main performance indicators

Indicator	31.03.2024	31.03.2023
Cost/Income ratio	31%	41%
ROE	29%	23%
Net interest income/Net interest and other banking income	25%	22%
Net fee and commission income/Net interest and other banking income	75%	78%

Economic data

The **interest margin** amounted to EUR 2.6 million, up (+50%) compared to the same period of the previous year, due to the growth in loans disbursed and the positive effect generated by the renegotiation of factoring contracts with respect to Euribor rate developments.

Net fee and commission income amounted to EUR 8.0 million, up compared to EUR 6.0 million in the first three months of 2023 (+32%). The trend in fee and commission income was affected by the highly positive trend in turnover (+23% compared to the same period of the previous year), reflecting the excellent commercial and operating performance of the Company.

Net interest and other banking income amounted to EUR 10.6 million (+36%), while net adjustments to loans were positive at EUR 0.05 million, resulting in a risk cost of zero.

Operating costs amounted to EUR 3.3 million (+3% compared to the same period in 2023). As at 31 March 2024, the number of employees of Generalfinance stood at 73 compared to 66 in the same period of 2023.

Taking into account the tax item of approximately EUR 2.4 million, the **net result for the period** was approximately EUR 4.9 million, compared to EUR 2.9 million recorded in the same period of 2023.

Balance sheet, funding and asset quality data

Net loans to customers amounted to EUR 372.3 million, down 19% compared to 31 December 2023. The disbursement rate was approximately 77% (84% in 2023), while the average number of days of credit - 68 in the first three months of 2024 - was stable compared to 2023 (68).

Within the aggregate of loans, total **gross non-performing loans** amounted to EUR 2.4 million, with a gross NPE ratio of approximately 0.64% (0.43% of the net NPE ratio). The **coverage of non-performing loans** stood at 33%.

Cash and cash equivalents – represented by loans to banks – amounted to approximately EUR 106.3 million – reflecting the prudent profile of liquidity management – while **total balance sheet assets** amounted to EUR 495.1 million, compared to EUR 500.0 million at the end of 2023.

Property, plant and equipment amounted to EUR 4.8 million, compared to approximately EUR 5.0 million in 2023. **Intangible assets** amounted to EUR 2.8 million, up from the end of 2023 (EUR 2.6 million).

Financial liabilities measured at amortised cost, equal to EUR 393.4 million, are made up of payables of EUR 350.6 million and securities issued totalling EUR 42.8 million.

Shareholders' equity and capital ratios

Shareholders' equity as at 31 March 2024 amounted to EUR 71.3 million, compared to EUR 66.4 million as at 31 December 2023.

The **capital ratios** of Generalfinance – also including pro-forma profit for the first quarter of 2024 net of expected dividends – show the following values:

- 16.1% CET1 ratio;
- 16.1% TIER1 ratio;
- 18.1% Total Capital ratio.

The ratios are well above the minimum regulatory values set forth in Bank of Italy Circular 288.

Impact resulting from the conflict between Russia and Ukraine

With reference to the information provided by ESMA in the public statement "Implications of Russia's invasion of Ukraine on half-yearly financial reports" on 14 March 2022 and the CONSOB communication of 19 March 2022 "Conflict in Ukraine: CONSOB warnings for supervised issuers on financial reporting and on the obligations related to compliance with the restrictions imposed by the European Union on Russia, as well as on the obligations of managers of online portals", in the context of the constant monitoring of its loan portfolio the Company has paid particular attention, on the geopolitical front, to the developments of the conflict between Ukraine and Russia, which resulted in the invasion by Russia of the Ukrainian territory on 24 February 2022 and in the imposition of economic sanctions by the European Union, Switzerland, Japan, Australia and NATO countries on both Russia and Belarus and some representatives of these countries; the conflict and sanctions have had, since February 2022, significant negative repercussions on the global economy, also taking into account the negative effects on the trend in raw material costs (with particular reference to the prices and availability of electricity and gas), as well as on the performance of the financial markets.

In said context, it should be stressed that Generalfinance has zero direct presence in the Russian/Ukrainian/Belarusian market (areas directly impacted by the conflict), since the Company has factoring relations solely with Transferors active in Italy. As at 31 March 2024, Generalfinance has an

exposure of less than EUR 100,000 to Transferred Debtors based in Russia, Ukraine and Belarus. Since the invasion of Ukraine, Generalfinance has suspended the credit lines relating to Transferred Debtors operating in the countries directly involved in the conflict.

Significant events after the end of the year

As of today's date, no significant events occurred after the end of the year.

Business outlook

In a macroeconomic scenario still characterised by critical elements for the real economy, the sales activities developed by Generalfinance in the first quarter of 2024 – trend in turnover, revenues and profitability – show a trend in line with the Budget and substantially in line with the current Business Plan, with reference to the current financial year. These elements allow us to predict a business performance and related net profitability for the whole of 2024 at levels in line with the budget.

Mr Ugo Colombo, as Financial reporting manager, hereby states that, pursuant to art.154-bis, paragraph 2 of the TUF (Consolidated Law on Finance), the accounting information contained in this press release corresponds to the documentary results, the books and the accounting records.

Generalfinance's results as at 31 March 2024 will be presented to the financial community in a conference call set for 23 April 2024 at 10.00 (C.E.T.). A set of slides supporting the presentation will be available by the same day, before the start of the conference call, on the homepage of the corporate website www.generalfinance.it or at the link <https://investors.generalfinance.it/en/financial-reportsand-presentations/>. The conference call will be conducted in Italian and in English.

To connect to the conference call, please register using the following link: [Pre-rec Generalfinance 230424](#)

The interim report on operations will be made available to the public, according to law, at the company's registered office, as well as on the website www.generalfinance.it and via the authorised storage mechanism www.emarketstorage.com.

GENERALFINANCE

Founded in 1982 and led by Massimo Gianolli for over 30 years, Generalfinance is a supervised financial intermediary specialised in factoring, able to guarantee rapid and customised interventions according to the different needs of its customers. Operating from its two offices in Milan and Biella with a team of roughly 70 professionals, Generalfinance is a leader in the segment of factoring for distressed companies.

Generalfinance S.p.A.

Chief Financial Officer – Investor Relations

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BALANCE SHEET
 (values in Euro)

Asset items		31/03/2024	31/12/2023
10.	Cash and cash equivalents	106,291,709	21,640,716
20.	Financial assets measured at fair value through profit or loss	29,607	22,974
	<i>c) other financial assets mandatorily measured at fair value</i>	29,607	22,974
40.	Financial assets measured at amortised cost	372,576,941	462,365,495
	<i>a) loans to banks</i>	81,043	65,750
	<i>b) receivables from financial companies</i>	185,767	200,017
	<i>c) loans to customers</i>	372,310,131	462,099,728
70.	Equity investments	0	12,500
80.	Property, plant and equipment	4,828,491	4,993,230
90.	Intangible assets	2,791,750	2,603,700
	- of which goodwill	0	0
100.	Tax assets	5,683,726	5,677,911
	<i>a) current</i>	5,126,235	5,120,420
	<i>b) deferred</i>	557,491	557,491
120.	Other assets	2,883,620	2,726,576
Total assets		495,085,844	500,043,102

Liabilities and shareholders' equity items		31/03/2024	31/12/2023
10.	Financial liabilities measured at amortised cost	393,405,016	409,388,039
	<i>a) payables</i>	350,624,728	376,750,770
	<i>b) securities issued</i>	42,780,288	32,637,269
60.	Tax liabilities	9,541,983	7,125,134
	<i>a) current</i>	9,488,268	7,077,869
	<i>b) deferred</i>	53,715	47,265
80.	Other liabilities	17,980,350	14,037,517
90.	Employee severance indemnity	1,400,538	1,471,156
100.	Provisions for risks and charges	1,429,205	1,587,887
	<i>b) pension and similar obligations</i>	166,865	164,705
	<i>c) other provisions for risks and charges</i>	1,262,340	1,423,182
110.	Share capital	4,202,329	4,202,329
140.	Share premium reserve	25,419,745	25,419,745
150.	Reserves	36,691,512	21,624,119
160.	Valuation reserves	136,788	119,783
170.	Profit (loss) for the year	4,878,378	15,067,393
Total liabilities and shareholders' equity		495,085,844	500,043,102

INCOME STATEMENT

(values in Euro)

	Items	31/03/2024	31/03/2023
10.	Interest income and similar income	9,292,199	5,354,629
	of which: interest income calculated using the effective interest method	9,292,199	5,354,629
20.	Interest expense and similar charges	(6,673,049)	(3,608,453)
30.	Net interest income	2,619,150	1,746,176
40.	Fee and commission income	8,970,158	7,045,631
50.	Fee and commission expense	(1,018,000)	(1,021,037)
60.	Net fee and commission income	7,952,158	6,024,594
70.	Dividends and similar income	0	0
80.	Net profit (loss) from trading	(1)	183
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	0	0
	<i>b) other financial assets mandatorily measured at fair value</i>	0	0
120.	Net interest and other banking income	10,571,307	7,770,953
130.	Net value adjustments/write-backs for credit risk of:	46,609	(107,026)
	<i>a) financial assets measured at amortised cost</i>	46,609	(107,026)
150.	Net profit (loss) from financial management	10,617,916	7,663,927
160.	Administrative expenses	(3,559,849)	(3,162,957)
	<i>a) personnel expenses</i>	(2,145,892)	(1,865,439)
	<i>b) other administrative expenses</i>	(1,413,957)	(1,297,518)
170.	Net provisions for risks and charges	241,373	(3,211)
	<i>b) other net provisions</i>	241,373	(3,211)
180.	Net value adjustments/write-backs on property, plant and equipment	(204,439)	(182,890)
190.	Net value adjustments/write-backs on intangible assets	(156,596)	(101,749)
200.	Other operating income and expenses	362,872	237,690
210.	Operating costs	(3,316,639)	(3,213,117)
220.	Gains (losses) on equity investments	(12,500)	0
260.	Pre-tax profit (loss) from current operations	7,288,777	4,450,810
270.	Income taxes for the year on current operations	(2,410,399)	(1,513,276)
280.	Profit (loss) from current operations after tax	4,878,378	2,937,534
300.	Profit (loss) for the year	4,878,378	2,937,534

Fine Comunicato n.1693-21-2024

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