

Informazione Regolamentata n. 1967-108-2024	Data/Ora Inizio Diffusione 22 Novembre 2024 16:36:57	Euronext Star Milan
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Societa' : DOVALUE

Identificativo Informazione
Regolamentata : 198574

Utenza - Referente : DOVALUEN06 - Della Seta

Tipologia : 2.2

Data/Ora Ricezione : 22 Novembre 2024 16:36:57

Data/Ora Inizio Diffusione : 22 Novembre 2024 16:36:57

Oggetto : doValue completes the acquisition of Gardant

Testo del comunicato

Vedi allegato



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PRESS RELEASE

DOVALUE COMPLETES THE ACQUISITION OF GARDANT

CONSIDERATION RECOGNIZED BY DOVALUE EQUAL TO €230 MILLION ENTERPRISE VALUE, PLUS NEWLY ISSUED SHARES OF DOVALUE RESULTING IN 20% OF THE COMBINED ENTITY DERIVING FROM THE CONVERSION OF THE CONVERTIBLE BONDS

THE TRANSACTION FURTHER STRENGTHENS DOVALUE'S LEADERSHIP IN ITALY, AS WELL AS ITS PARTNERSHIPS WITH BANKS AND INVESTORS AND BOOSTS REVENUE DIVERSIFICATION

THE INTEGRATION PLAN HAS BEEN COMPLETED AND WILL BE DEPLOYED IMMEDIATELY

RIGHTS ISSUE WILL START ON MONDAY NOVEMBER 25TH,

Rome, November 22nd, 2024 – doValue S.p.A. ("**doValue**" or the "**Company**", Euronext Milan **DOV.MI**), leading strategic financial services provider in Southern Europe, is pleased to announce that, following the satisfaction of all the conditions precedents, including the expected regulatory approvals, the acquisition of 100% of the share capital of Gardant S.p.A. ("**Gardant**") has been completed today (the "**Transaction**").

Manuela Franchi, doValue CEO: *"This transaction represents an important milestone for our Group: doValue is already an European leader in credit management, with well-established presence in key countries in the old continent. With the integration of Gardant we further strengthen our leadership and aim to create a true centre of excellence in the Italian and international markets, with capabilities to offer banks and investors one of the widest ranges of products and services across the entire credit management value chain".*

Mirko Briozzo, Gardant CEO: *"For us at Gardant, the integration with doValue represents the best opportunity to ensure that everything we built and developed successfully over these last 10 years, first in Credito Fondiario since 2013 and then in Gardant, become an integral part of the client offering of an enlarged and listed pan-European leader, and we are proud thereof. I am looking forward to embarking on this exciting new journey of growth and development".*

Gardant, established in 2021 from the reorganization of Credito Fondiario, is a leading credit management and financial services provider in Italy. In the past 5 years Gardant has achieved significant growth through strategic partnerships, such as joint ventures with Banco BPM and BPER Banca, leveraging advanced data-driven tools for portfolio optimization. In 2024, Gardant expects €135 million in revenue and €50 million in EBITDA, with 40% of revenues from non-NPL services like UTP, asset management and master servicing.

doValue

Following today's announcement, Italy becomes the main market for the Group. The new Group's customers will benefit from best-in-class offering and technology, while Gardant's expertise in UTPs and credit-focused asset management will be further rolled out through the Group's enlarged scale.

This acquisition significantly enhances the breadth of the new Group's customer portfolio, adding two long-term agreements of Gardant with two of the country's largest banking groups (Banco BPM and BPER), scaled UTPs management capabilities and a consolidated relationship with Tiber Investments S.à r.l. ("**Tiber**"), an affiliate of funds advised by Elliott Advisors (UK) Limited ("**Elliott**"), which will be an additional highly valuable industry partner for the Group as a shareholder signatory of a specific commitment with a lock-up clause for a 1-year period for doValue shares resulting from the mandatory convertible bonds and of a 3-years non-compete and a 5-years exclusivity agreement covering the territory of Italy. The enlarged shareholders' base with primary players in the credit business, will further strengthen the new doValue Group's profile and growth perspectives, as the leading independent player specialized in the credit servicing and asset management in Southern Europe.

doValue will accelerate the execution of its new 2024-2026 Business Plan anticipating the targets of revenue diversification and deleverage. In particular, the UTP platform and capabilities of Gardant will further endow the Group with the scale and the know-how to compete in one of the most profitable and promising segments of the Italian NPE market.

The integration plan of the Target group, developed under a joint steering committee will be executed immediately. The combined integration plan allows the Company to pursue and swiftly realize the targeted synergies of €15 million at full run-rate. doValue's confidence in a successful integration is bolstered not only by doValue and Gardant's proven track record in integrating acquired businesses but also by the strong cultural alignment between the two organizations, which will foster seamless collaboration and operational efficiency.

Consideration and financing

The total consideration for Gardant Group acquisition consists of (i) €230 million, including cash consideration worth approximately €181 million and €50.4 million net debt recognition; and (ii) the issuance of new shares corresponding to a 20% stake in the new Group, from the conversion of mandatory convertible bonds already subscribed for by the sellers. The mandatory convertible bonds will convert into 4 million doValue shares on the third trading day from today. Taking into account Gardant's net financial position as of December 31, 2023, along with certain customary adjustments, the cash consideration for the transaction reflects an enterprise value of €230 million.

The Transaction has been financed by drawing a €240 million acquisition term facility from a new bank financing package of €526 million (including 5-year amortizing term loans and €80 million 3-year Revolving Facility) provided by an international pool of 14 banks. doValue will also draw from a refinancing term facility (up to €206 million) to fund the early repayment of the 2025 notes, following completion of the rights issue. The financing is supported by standard guarantees in line with market practices

Governance

Following the conversion of the mandatory convertible bond, Tiber will hold 17.75% of doValue's share capital, while the remaining Gardant sellers will hold 2.25%. The converted share will be subject to a lock-up agreement for a period between 6 and 12 months (Tiber 12 months).

As approved by the Extraordinary Shareholders' Meeting on September 11, 2024, Elliott has appointed two members to the Board of Directors of doValue, which has been expanded from 11 to 13 members.

Rights Issue

As disclosed on November 20th 2024, following the approval of the prospectus, the subscription period relative to a rights issue for an amount equal to approximately €150 million will start on Monday November 25th.

The anchor shareholders Fortress, Bain, Tiber and certain Gardant's managers, have communicated their irrevocable undertaking to subscribe approximately €82.5 million. The remaining part of the rights issue (c. €67.5 million) is guaranteed by an underwriting agreement signed on November 21st 2024 (the "**Underwriting Agreement**") in connection with the Rights Issue, supported by a pool of top-tier banks which have undertaken to subscribe, severally and not jointly, subject to the terms and conditions set forth in the Underwriting Agreement and in proportion to their respective commitments under the Underwriting Agreement, those New Shares remaining unsubscribed (if any) at the end of the auction of the unexercised pre-emptive subscription rights, equal to the difference between the overall amount of the Offering and the underwriting commitment.

doValue

doValue

doValue Group is a European financial services provider offering innovative products along the entire credit lifecycle, from origination to recovery. With more than 20 years of experience and approximately €116 billion gross assets under management (Gross Book Value) as of 31 December 2023, it operates in Italy, Spain, Greece and Cyprus. doValue Group contributes to economic growth by fostering sustainable development of the financial system and offers an integrated range of credit management services: servicing of Non-Performing Loans (NPL), Unlikely To Pay (UTP), Early Arrears, Performing Loans, Master Legal, Due Diligence, financial data processing and Master Servicing activities. doValue's shares are listed on Euronext STAR Milan (EXM) and, in 2023, the Group reported Gross Revenue of €486 million and EBITDA excluding non-recurring items of €179 million.

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Fine Comunicato n.1967-108-2024

Numero di Pagine: 5