

1°
giorno di
quotazione
BORSA ITALIANA Euronext

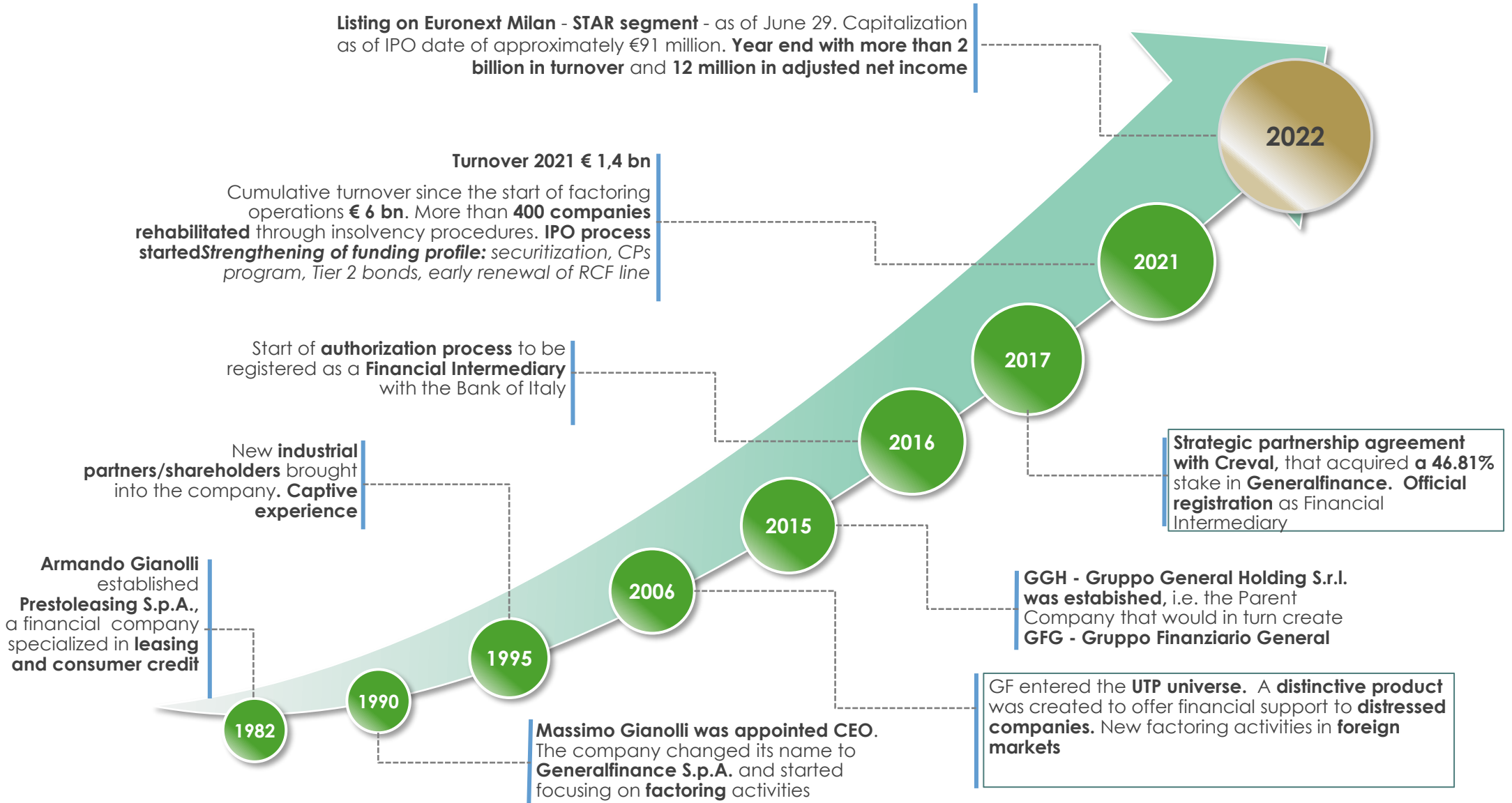


GENERALFINANCE Company Profile December 2022

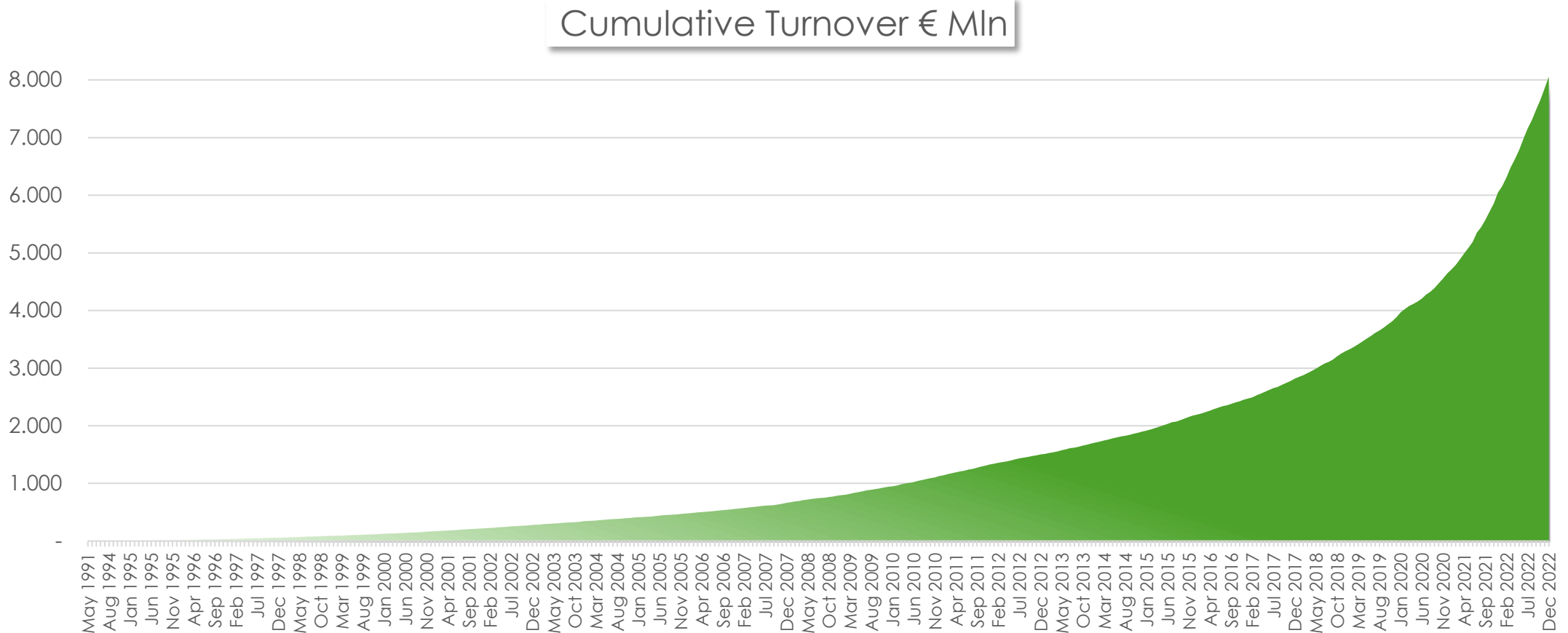


Generalfinance - Overview

Company Milestones



Company Milestones - Turnover



With the **2.0 bn turnover** in **2022FY**, total factored receivables since the start of factoring operations (1991) amounts to approximately **8 bln**

II factoring

- Factoring is a **flexible tool for the management of working capital**, it offers a wide range of services to release, manage and successfully deliver trade receivables.
- The legal instrument underpinning factoring is the **assignment of receivables**, in accordance with Law no. 52 of 21 February 1991 (*Law on the assignment of receivables*).
- The law is aimed to regulate and validate the following:
 - ✓ Enable the Assignor to sell (assign) receivables, also **future ones**;
 - ✓ Ensure the assignability of receivables to a Factor, **even in bulk**;
 - ✓ Make it easier for the Assignor to **oppose disposal to Third Parties**.
- Through the assignment, the Client transfers the receivables arising from its own business activity to a Factor, who:
 - ✓ manages **their collection** and accounting;
 - ✓ can provide **protection in the event of default** of the Assigned Debtor (Buyer);
 - ✓ can **advance** all or part of the purchase price of the assigned receivables (Prepayment)

Factoring: a Combination of Three Services

1

Credit management (debtor management and payment collection) is the **core business** of a factoring company and allows the creditor to outsource activities that are usually carried out in-house, thus achieving:

- ✓ Greater **effectiveness** (credit management is a Factor's core business)
- ✓ Greater **efficiency** (the factor benefits from economies of scale)

3

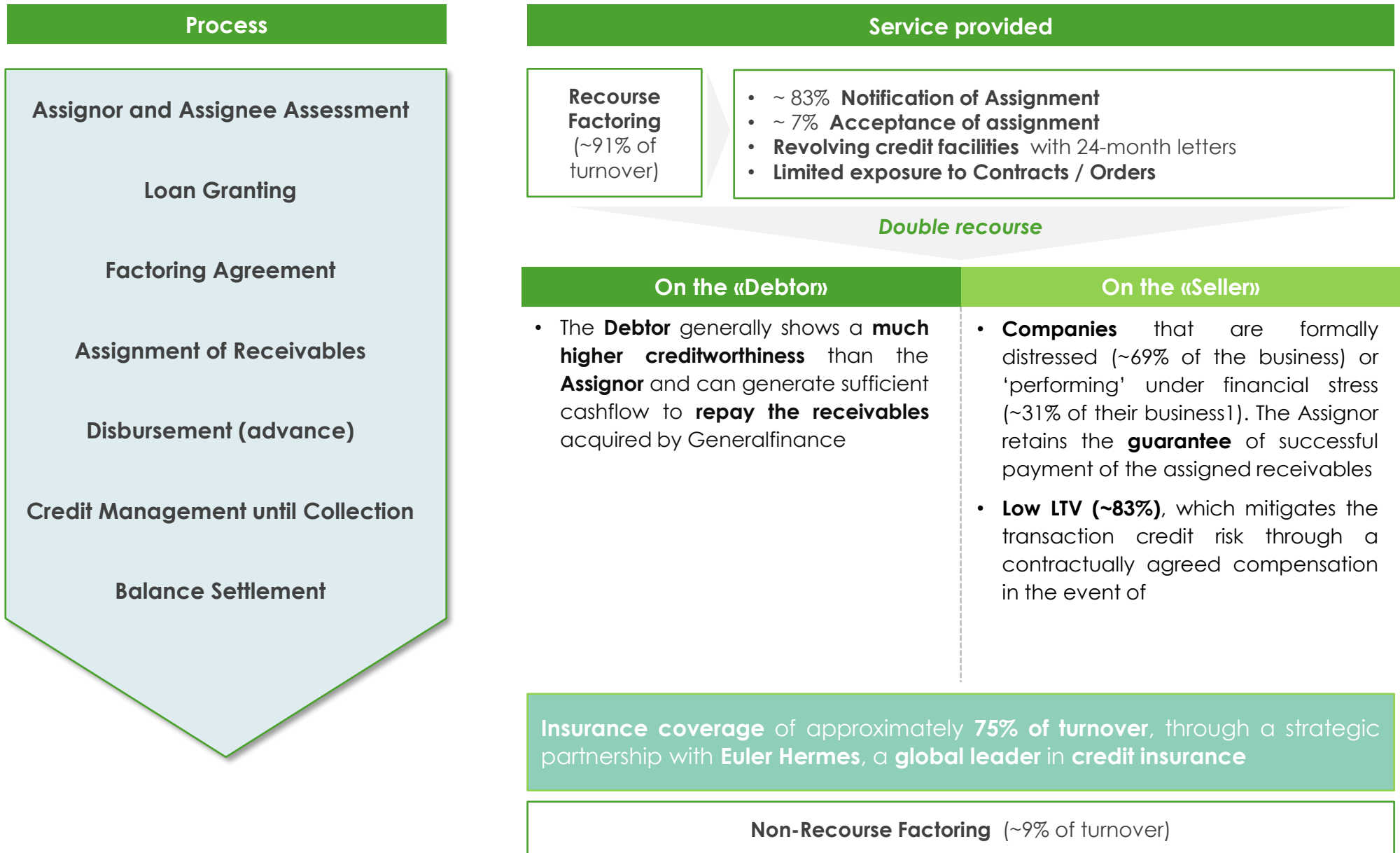
In the **credit insurance** service, the Factor analyzes the **specific features of the assigned receivables** and can issue a solvency guarantee)

2

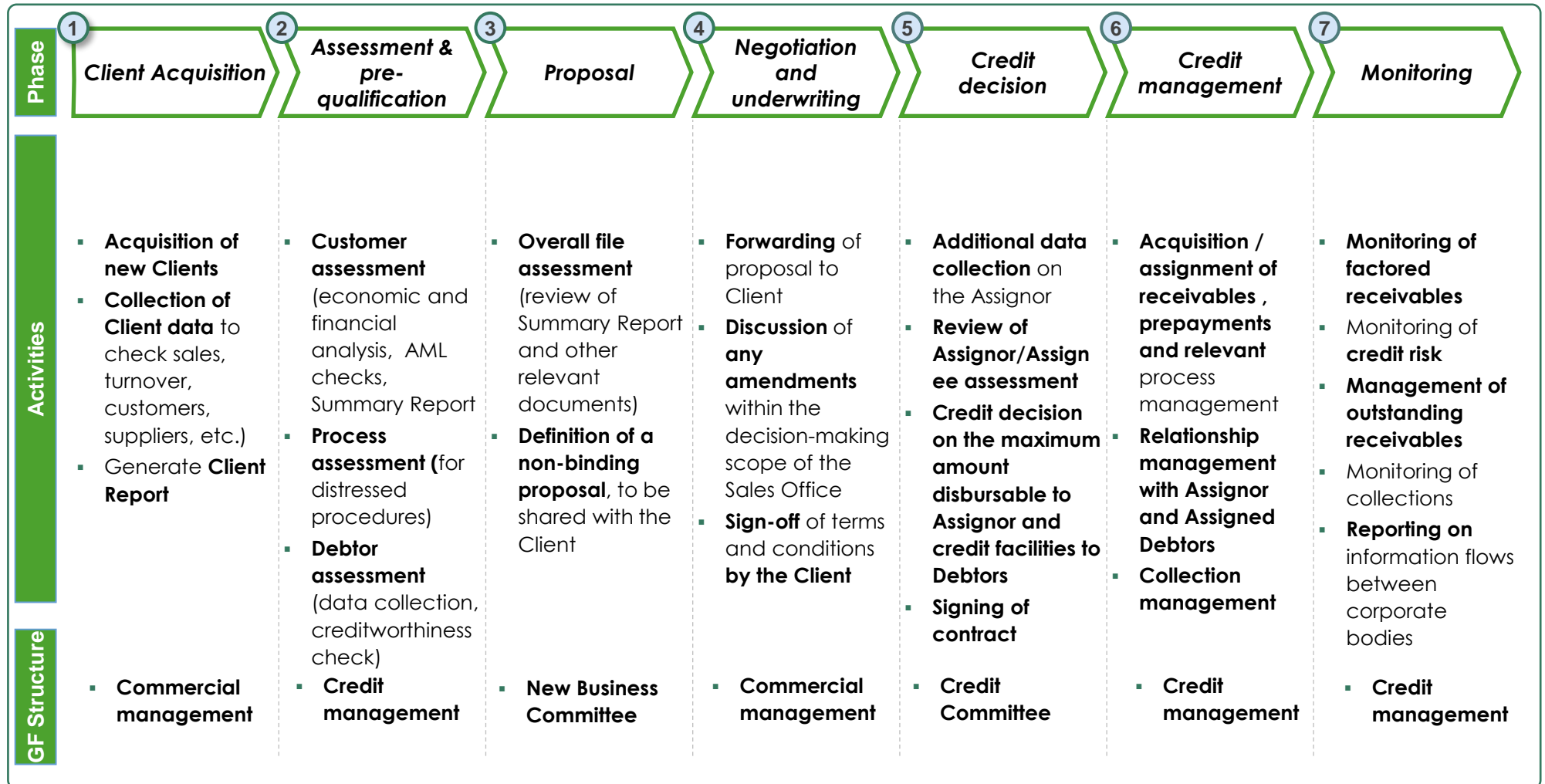
In the **credit financing service**, the Factor **differs from a bank** in that it **analyzes the assigned receivables/debtors** in addition to performing the usual creditworthiness assessments



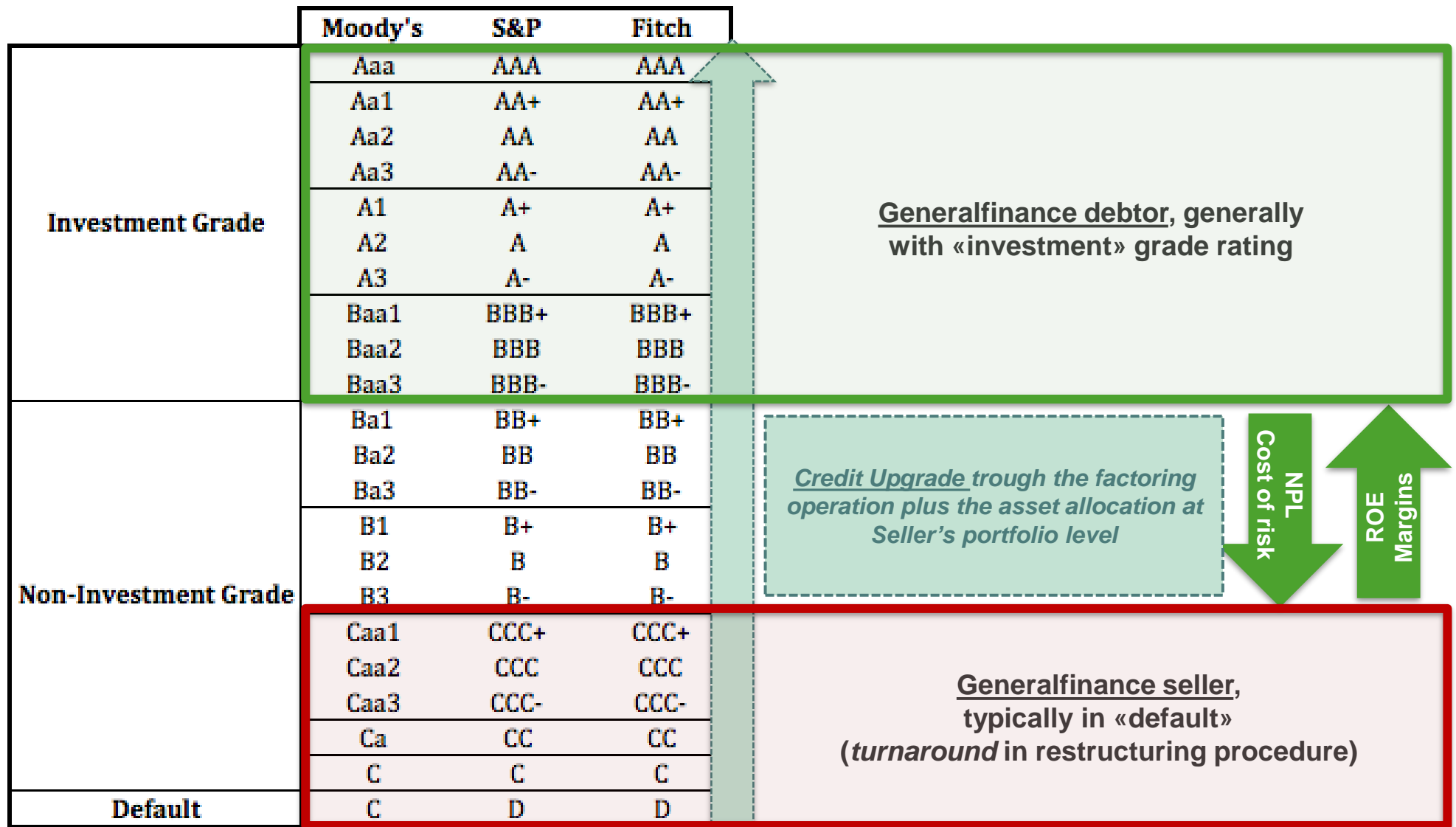
Business Model Breakdown



Credit Process Overview



Our Business Model in a Nutshell



IPO and updated shareholder base

IPO main results

29th June 2022

FIRST DAY OF TRADING

€ 38.5 M

CAPITAL RAISED¹

€ 20.2 M

CAPITAL INCREASE

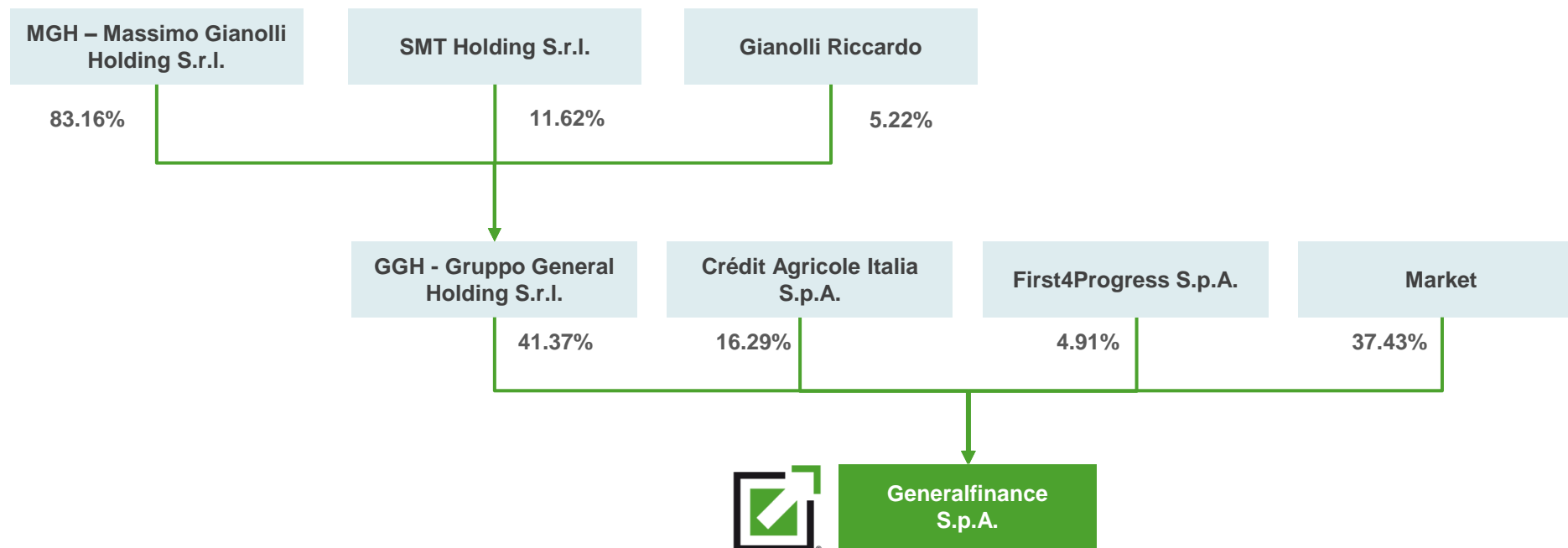
€ 65.8 M

TOTAL DEMAND

€ 91.0 M

MARKET CAPITALIZATION
AT IPO

Shareholders' structure



Core Business: Distressed Companies (1/2)

Support provided to Italian distressed companies, as follows:

- Certified recovery plans pursuant to art. 67 of Finance Law
- Debt restructuring agreements pursuant to art. 182 bis of Finance Law
- Arrangements with creditors pursuant to art. 160 ss. of Finance Law (provided business continuity is shown)
- Extraordinary administration of large insolvent companies
- Newly established companies (Newco) resulting from corporate restructuring/reorganization

69% of corporate turnover*



Support provided when transactions happen under financial stress and are not regulated by the Financial Law

Supporting for example:

- Companies with limited access to traditional banking
- Companies with high leverage and low margins

31% of corporate turnover*



* Turnover at December 31 2022

Core business: Distressed Companies (2/2)

Areas of intervention and characteristics

Assignors
Only Italian,
Private Companies

- ✓ **Manufacturing industry**, services, trade
- ✓ **NO real estate**, investment holding companies, and industries that do not have trade receivables arising from the provision of goods or services

Assignees
Italian and Foreign,
Private Companies
and PA

- ✓ **Performing 'investment-grade' companies in the manufacturing, trade and service sectors**
- ✓ **Regions, Ministries and certified receivables from Local Health Authorities (ASL)**
- ✓ **Foreign assigned debtors**, excluding high-risk or uninsurable countries
- ✓ **High risk fractioning at the level of the individual Assigned Debtor**

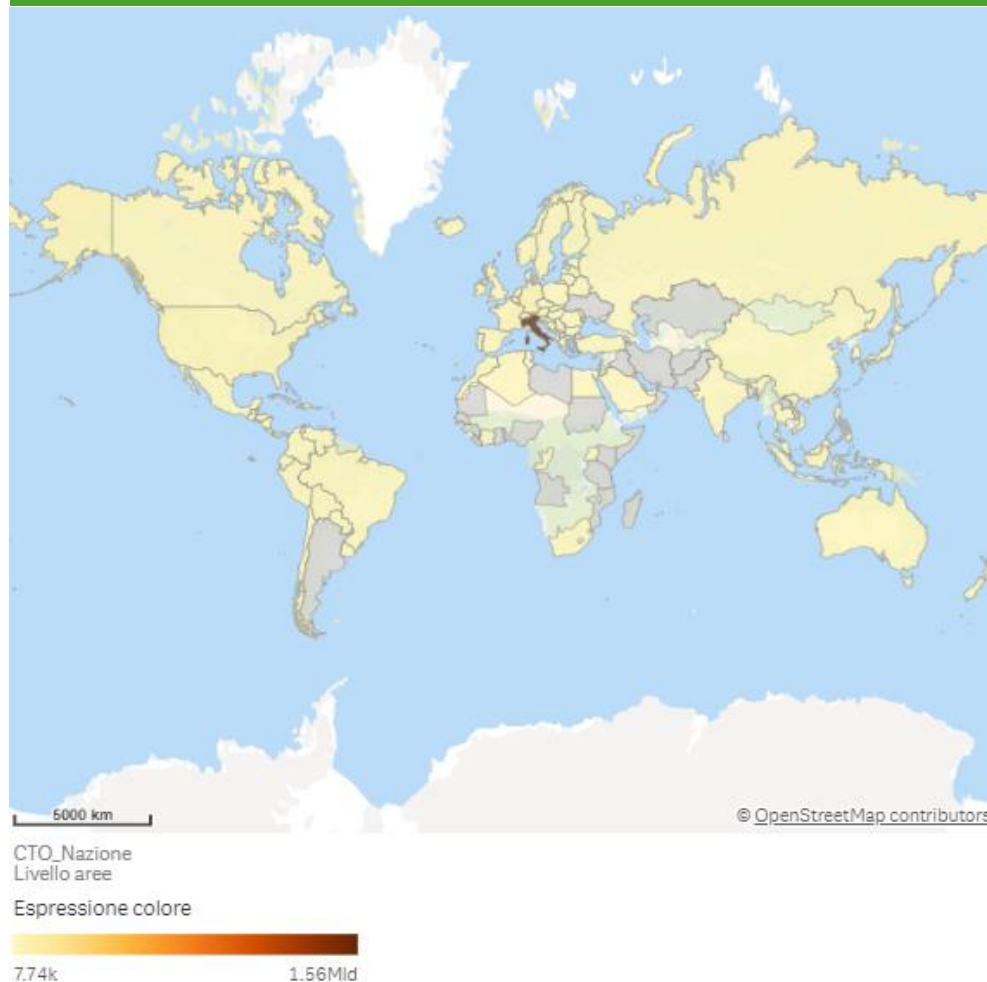
Core business: International factoring

Support for internationalization

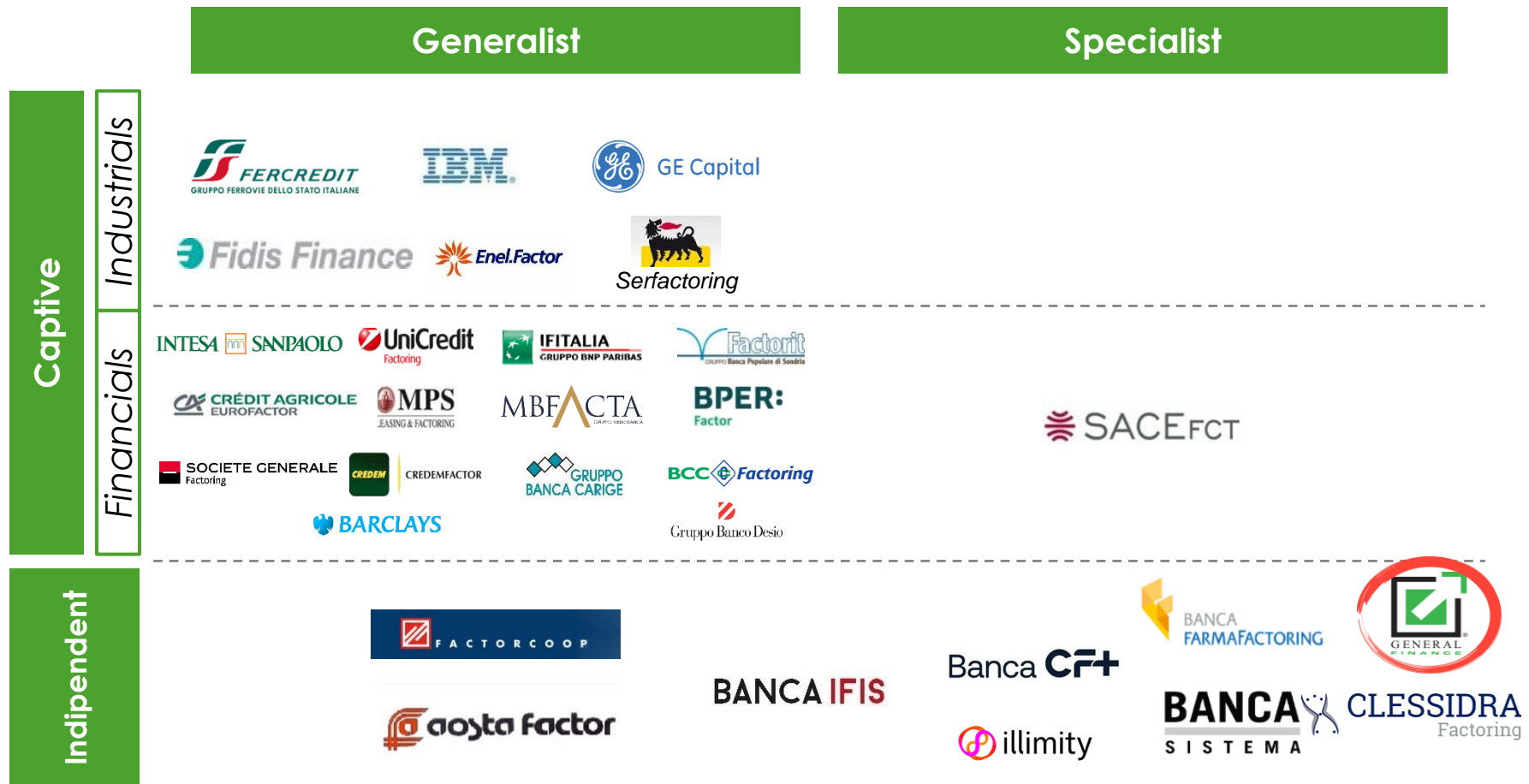
Generalfinance - also thanks to the historical partnership with **Allianz Trade** - is able to support manufacturing companies in all the main countries of the world, disinvesting invoices and managing credit collection (international factoring).

In 2022, **approximately 22% of turnover disinvested by the Company was related to Foreign Assigned Debtors**, mainly in Europe and North America.

Turnover 2022 - foreign countries with invoices disinvested by Generalfinance



Competitive Positioning



Generalfinance is an independent player focusing on distressed debt financing

Source: Generalfinance

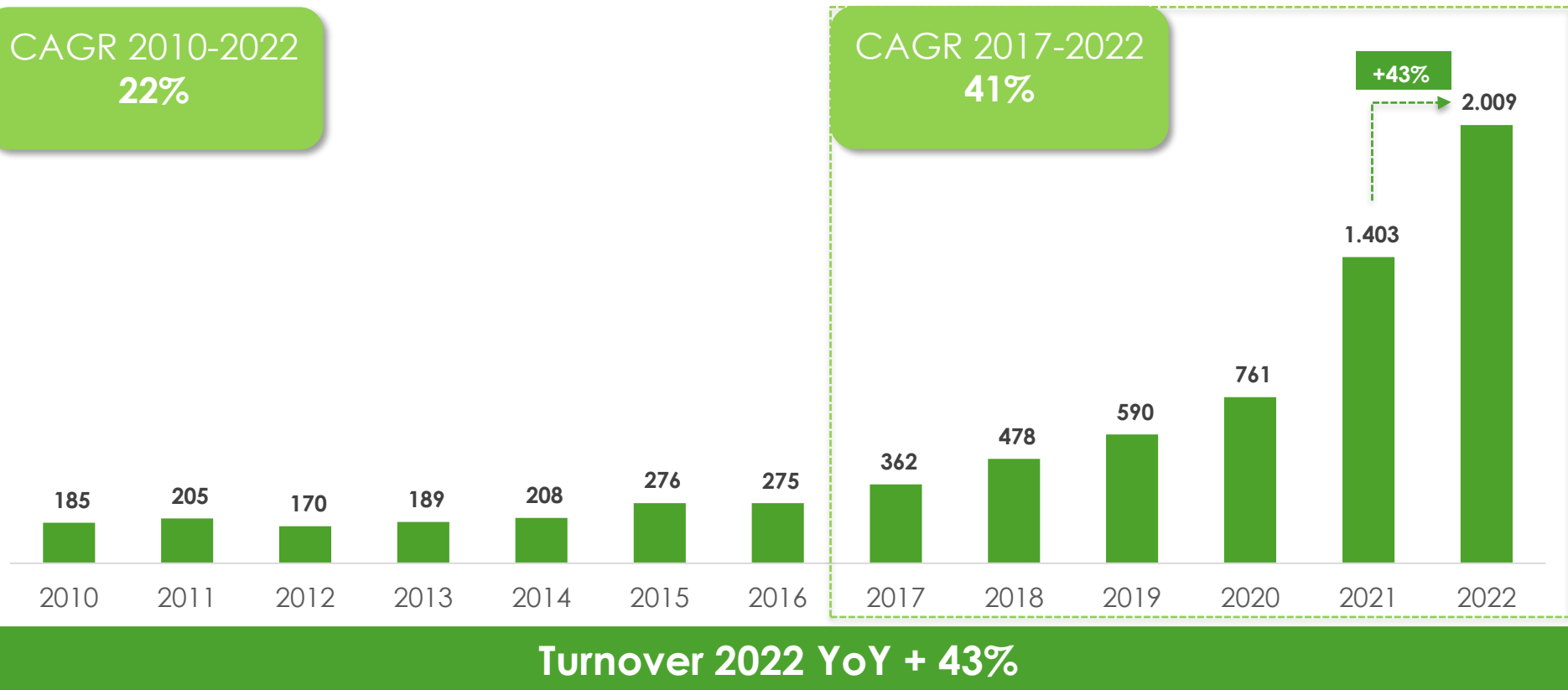
Generalfinance – Financial Results

Turnover - historical series

Steady growth in turnover volume, particularly from 2017, following recapitalization and strengthening of funding profile

CAGR 2010-2022
22%

CAGR 2017-2022
41%



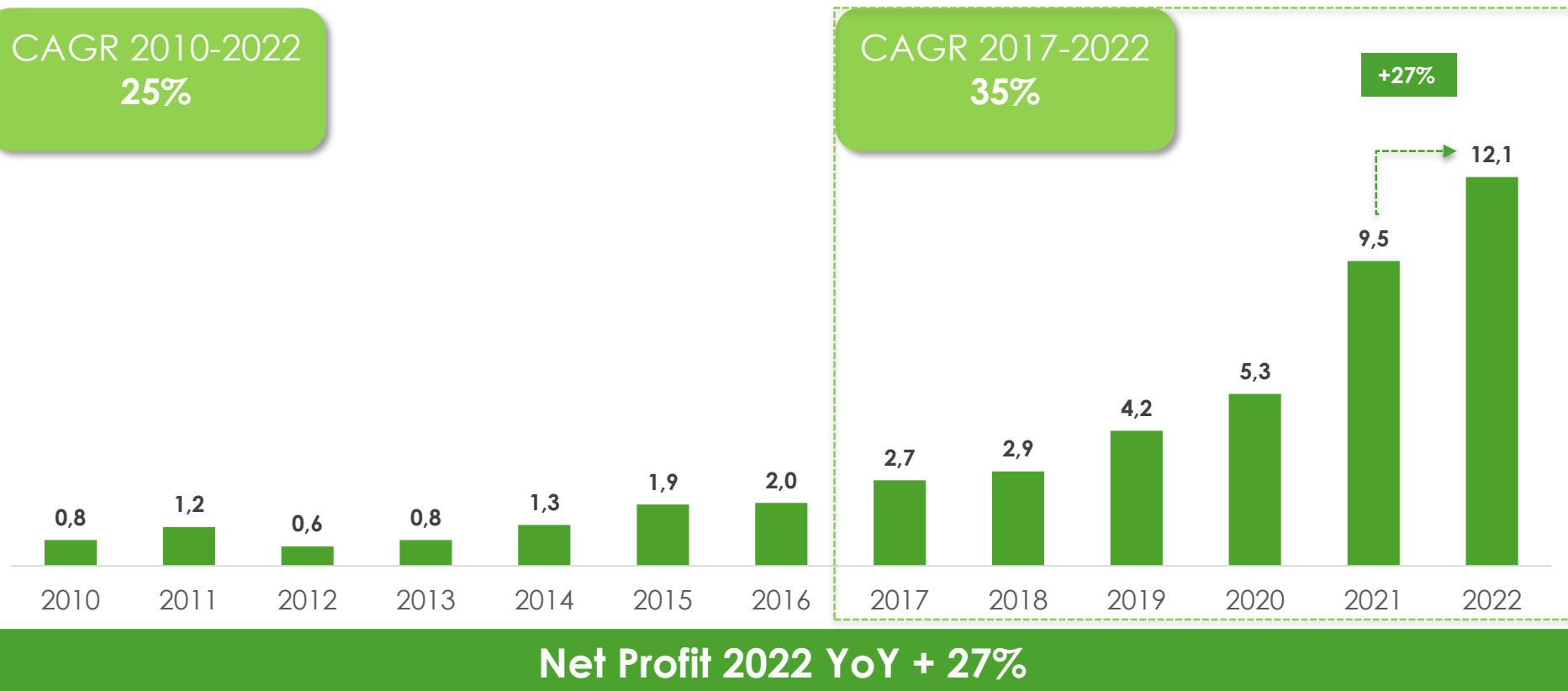
Data expressed in million of Euro

Net Profit - historical series

Positive results with **stable profit growth**, particularly from 2017, following recapitalization and strengthening of funding profile

CAGR 2010-2022
25%

CAGR 2017-2022
35%



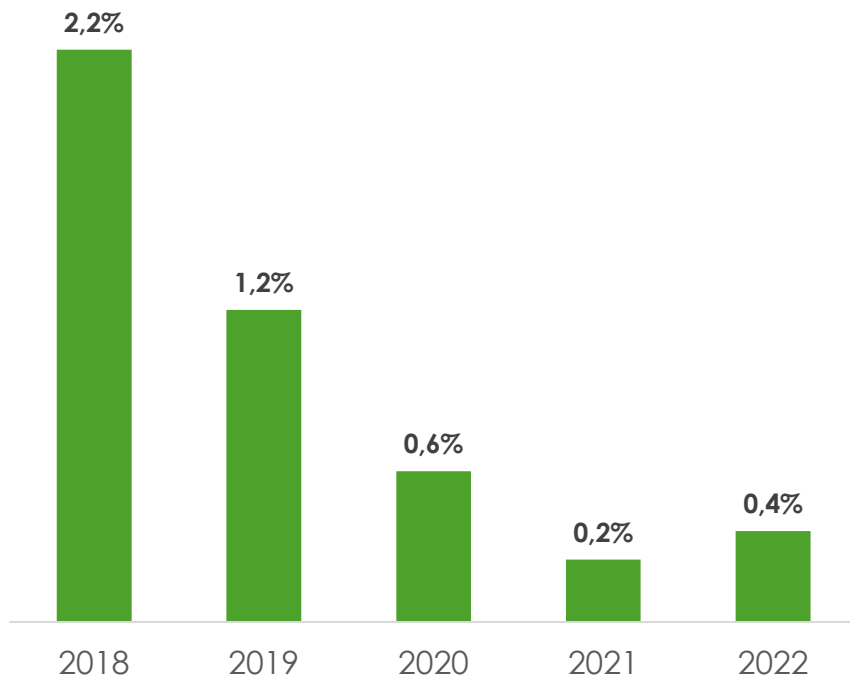
Data expressed in million of Euro
Net Profit 2022 Adj

Asset Quality Evolution

Excellent risk profile with respect to both the cost of risk and the level of non-performing credits

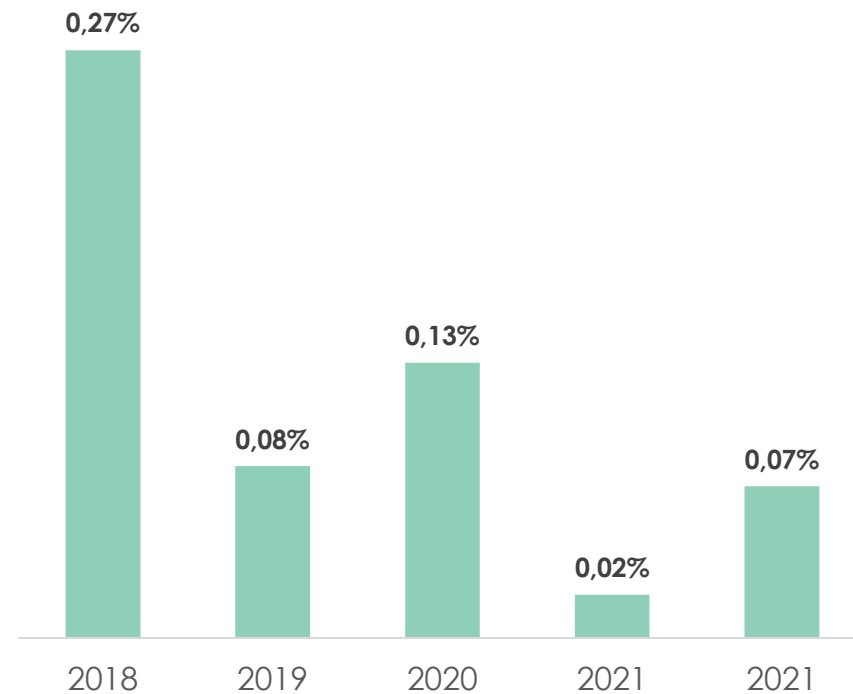


NPE Ratio Lordo



NPE Ratio: Gross impaired credits / Gross credits

Costo del rischio



Cost of risk: Value adjustments / Annual advance granted

The main KPIs behind our business

Income Statement (€m)	2020A	2021A	2022A	YoY	CAGR '20-'22
Interest Margin	4,1	6,2	7,3	17,7%	33,4%
Net Commission	13,1	17,7	23,6	33,3%	34,2%
Net Banking Income	17,2	23,9	30,9	29,3%	34,0%
Operating Costs	(8,4)	(9,8)	(11,6)	18,4%	17,5%
Net Profit	5,3	9,5	12,1	27,4%	51,1%

KPI (€m)	2020A	2021A	2022A	YoY	CAGR '20-'22
Turnover	761,0	1.403,0	2.009,0	43,2%	62,5%
Allocated Amount	562,0	1.118,0	1.674,0	49,7%	72,6%
LTV	73,9%	79,7%	83,3%	4,5%	6,2%

Net Banking Income / Average Loan (%)	11,2%	9,6%	8,7%	(9,0%)	(11,7%)
Interest Margin / Net Banking Income (%)	23,8%	26,0%	23,5%	(9,4%)	(0,5%)
Cost Income Ratio	48,7%	40,9%	37,7%	(7,9%)	(12,1%)
ROE (%)	30,9%	42,0%	26,3%	(37,5%)	(7,8%)
CET1 Ratio	8,6%	9,4%	14,6%	55,6%	30,3%
Total Capital Ratio	8,6%	13,7%	17,6%	28,4%	43,3%

Balance Sheet (€m)	2020A	2021A	2022A	YoY	CAGR '20-'22
Cash & Cash Equivalents	24,2	33,5	43,7	30,4%	34,4%
Financial Assets	176,5	321,0	385,4	20,1%	47,8%
Other Assets	9,5	10,8	14,6	35,2%	24,0%
Total Assets	210,2	365,3	443,7	21,5%	45,3%
Financial Liabilities	175,4	314,6	368,4	17,1%	44,9%
Other Liabilities	12,2	18,7	18,5	(1,1%)	23,1%
Total Liabilities	187,6	333,3	386,9	16,1%	43,6%
Shareholder's Equity	22,6	32,0	56,8	77,5%	58,5%

Income statement data as of 2022 adjusted. ROE adj = Net Profit adj / (Equity - Net Profit adj)

Generalfinance - Contacts



www.generalfinance.it



<https://www.linkedin.com/company/general-finance/>



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GENERALFINANCE

Thanks

