

Results at 30 June 2019

SACE SIMEST (CDP Group): in the first half of 2019 a total of 8 billion Euro in resources was mobilised to support Italian businesses

- SME Focus: acceleration of the Industrial Plan goals, with more than half of the resources mobilised to support small and medium enterprises, an increase of 8% compared to the first half of 2018
- SACE results: positive performance for gross premiums of € 338 million (+31%) and net profit of € 127 million (+5%), confirming economic and financial sustainability (ROE at 5.4%, +2p.p) and solidity of equity (SCR at 178%, + 4 p.p.)

Rome, 5 August 2019 – SACE (CDP Group) has announced its results at 30 June 2019, which were approved by the Board of Directors chaired by Beniamino Quintieri.

The first six months of the year recorded a strong acceleration towards reaching the goals of the Business Plan 2019-2021, which was approved last February, with a special focus on supporting SMEs. To help this strategic segment of Italian fabric entrepreneurs, 4.1 billion Euro were mobilised, an increase of 8%, and transactions were concluded with more than 7,000 businesses.

This is a significant achievement, the result of various initiatives developed by SACE SIMEST, which have given tangible results in the first half of the current financial year: the launch of a new commercial model, which saw the introduction of a team of Export Coaches exclusively devoted to supporting SMEs; full digitalization of 5 key products for SMEs, allowing them to halve their response times; reinforcement of the free training programme “Education to Export” with a high digital content, which has already made it possible to support 700 SMEs with their plans for growth in foreign markets; and the extension of business matching activities, which have involved 600 businesses.

*“We are very satisfied in concluding an excellent first half of the year,” stated **Alessandro Decio, SACE CEO**. “Despite the international slowdown, we are moving ahead very effectively in implementing the new Business Plan, without any interruption to what was previously achieved. In the first half of the year, we have increased support for small and medium enterprises and we are about to close the year with an increase of 40% in the number of customers that we’ve served, mainly SMEs. Investments made with regard to streamlining, digitalization, the distribution network, and “Education to Export” are enabling us to play an increasingly effective role, while at the same time fully meeting our aims for profitability and sustainability. We are satisfied and optimistic about a successful second half of the year.”*

SACE SIMEST mobilised total resources of 8 billion Euro to support Italian businesses, compared with 9.9 billion Euro in the same period of last year. This decrease related to the postponement of some large transactions, which have already been agreed upon and are currently awaiting finalisation in accordance with the current regulatory framework, that amount to a total of around 4 billion Euro.

In view of this, SACE closed the first half of 2019 with a positive performance, with an increase in gross premiums and net profit totalling 338 million Euro (+31%) and 127 million Euro (+ 5%) respectively. The achievement of these results confirms the business model's economic and financial sustainability (ROE 5.4%) and its solidity of equity (SCR 178%). The results were especially gratifying to the Board, particularly in the light of the complexity of the general context.

SACE SIMEST for SMEs

Below are details of the various qualifying initiatives and of the results achieved in the first half of 2019 towards implementing the Business Plan goals, which include facilitating SMEs' access to the SACE SIMEST Hub's offerings and promoting their international penetration.

- **Service model.** A new commercial model has been launched to give more effective support to Italian SMEs, setting up a unit that is dedicated exclusively to the smallest businesses and introducing the Export Coaches. The latter is a pilot team of 12 professionals with digital and commercial skills, with the specific mandate of guiding and accompanying SMEs in accessing the on- and off-line tools of SACE SIMEST, alongside the domestic network.
- **Digitalization.** The sacesimest.it website, a single point of access to the Hub's whole insurance and finance offering, has been completely redesigned with 5 key products for SMEs (credit insurance, counter party assessment, subsidised loans and financial guarantees, factoring and debt collection) that are fully available online and the response times of which have been halved. Thus, 80% of transactions for amounts below 5 million can now be agreed in fewer than 15 days.
- **Key products for SMEs.** Strong growth has been recorded in these areas in particular: financial guarantees, the volumes of which have increased by 40%, which is partly due to the reinforcement of synergies and complementarity with the banking channel; online supplier credit policies, a strategic lever for strengthening export competitiveness, where volumes have more than doubled thanks to the added boost of the new online product Export Up; SIMEST subsidised loans (intended to support activities such as the drafting of feasibility studies, participation in trade fairs outside the EU, opening commercial structures abroad and, the latest idea, the introduction of Temporary Export Managers and e-commerce initiatives), where volumes are up by 23%.
- **Export culture.** The free training programme "Education to Export" has been strengthened. With its high digital content, this programme (sacesimest.it/education) was developed with the aim of promoting a wider export culture and increasing the number of exporter SMEs. In 2019 alone, it has enabled support for 700 small and medium businesses with their growth plans for foreign markets.
- **Business matching.** Both in Italy and abroad, initiatives within the Push Strategy continue. These bring Italian SME/business supply chains into contact with large scale international buyers, from

strategic countries and sectors, that are engaged with SACE SIMEST in increasing their own purchasing in Italy.

SACE's main economic and financial data

Premiums. SACE's support of exports and internationalisation, largely consisting of medium/long-term transactions in regions with a medium/high risk profile, generated €338 million in gross premiums, up by 31% on the figure for the first half of 2018.

Claims A total of €142 million of claims were settled, an increase on the first half of the previous year. These mainly related to the infrastructure and construction sector and aeronautics.

Recoveries. 50 million Euro of credits were recovered in this half from sovereign counter parties as a result of bilateral agreements (mainly from Argentina, Serbia, Egypt and Ecuador), as well as 43 million Euro from private counter parties.

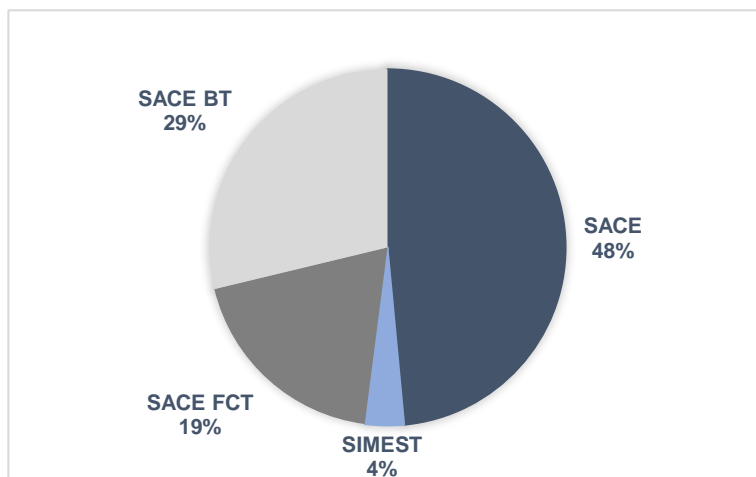
Net profit. The net profit earned by SACE in this half was 127 million Euro, a slight increase on the first half of 2018 (121 million Euro), with a ROE of 5.4%, a 2 p.p. improvement with respect to the first half of 2018.

Financial position. The net equity of SACE is 4.7 billion Euro, substantially unchanged with respect to last year, while the technical provisions amount to 4.1 billion Euro (+17%). The Solvency Capital Ratio has risen to 178%, an increase with respect to 31 December 2018 when it stood at 174%.

Hub company operations during the first half

Of the 8 billion Euro of resources mobilised in the first half of the year, 48% was generated by the activities supporting export and internationalisation managed by SACE, while the remaining 52% came from the group companies.

With regard to resources mobilised by SACE (3.9 billion Euro), strong acceleration was recorded in emerging geographical areas with high potential for Italian export. These results confirm SACE's driving role with regard to Italian exports in supporting the



activities of Italian businesses abroad and in diversifying destination markets. In terms of the transactions that SACE supported in the first half of this year, the Middle East and Africa were among the most dynamic geographical areas; resources mobilised towards the European Union, on the other hand, decreased. The sectors involved included oil and gas, infrastructure and construction, and the mechanical industry.

SIMEST mobilised a total of 281 million Euro of resources, equal to 4% of total volumes, mainly for subsidised loans and equity investments.

The SACE Fct factoring services generated 1.5 billion Euro of turnover (19% of total volumes). 155 million of receivables, in synergy with SACE, are to be added to this.

SACE BT generated transactions of 2.3 billion Euro, equal to 29% of the total, through credit and sureties insurance activities.

SACE SRV, the Group's debt collection and commercial information company, put in a positive performance, recording an increase in debt collection with associated income of 1.4 million Euro (+4%).

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€ 3.730.323.610,00
Iscritta presso
CCIAA di Roma al
n. REA 00000

Iscrizione al Registro
delle Imprese di Roma
Codice Fiscale
e Partita IVA
05804521002