



Deloitte.

FIRST SEMESTER 2023 THE PRIVATE DEBT ITALIAN MARKET

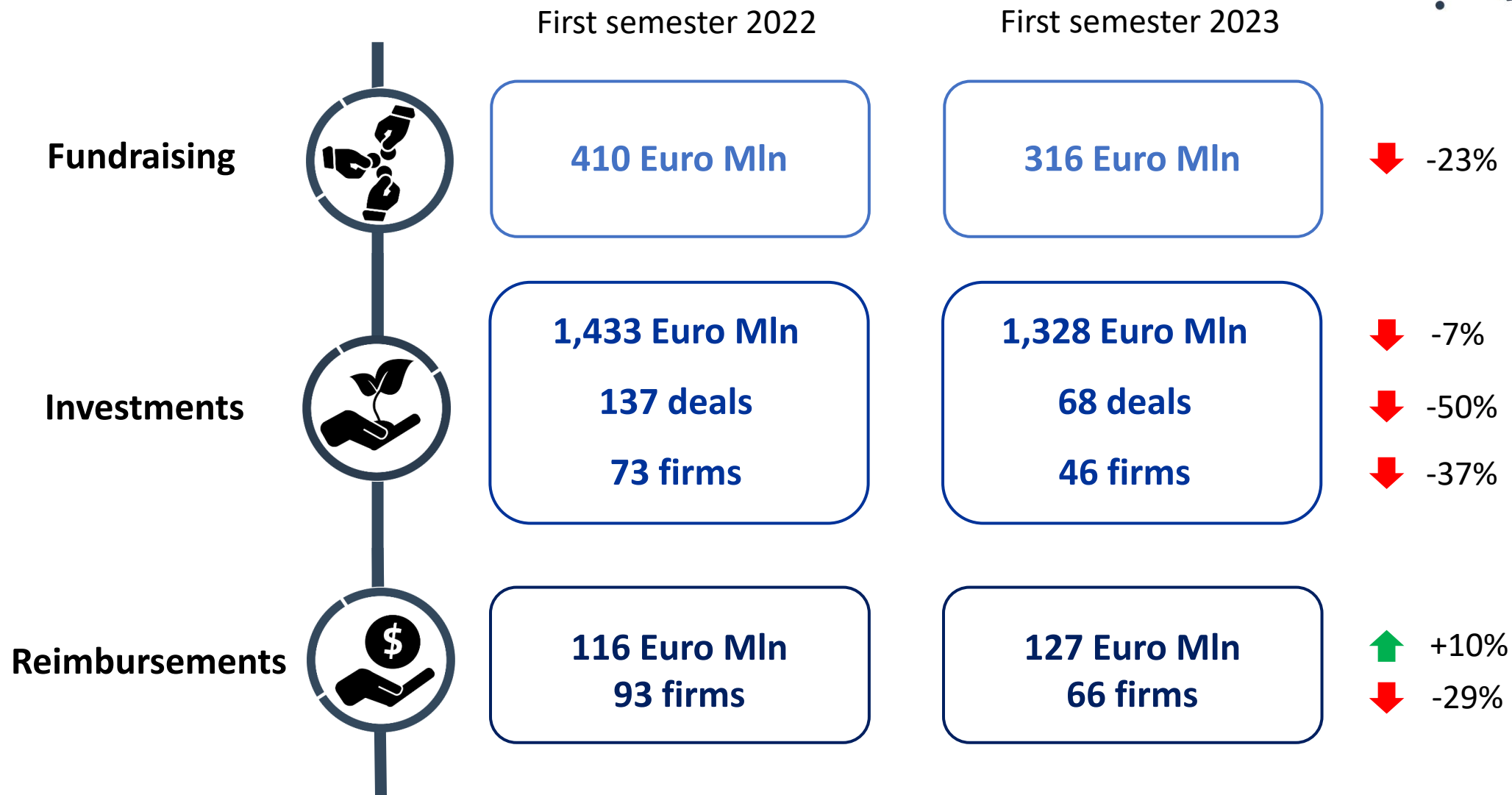
Alessia Muzio, Research manager - AIFI

9° October 2023

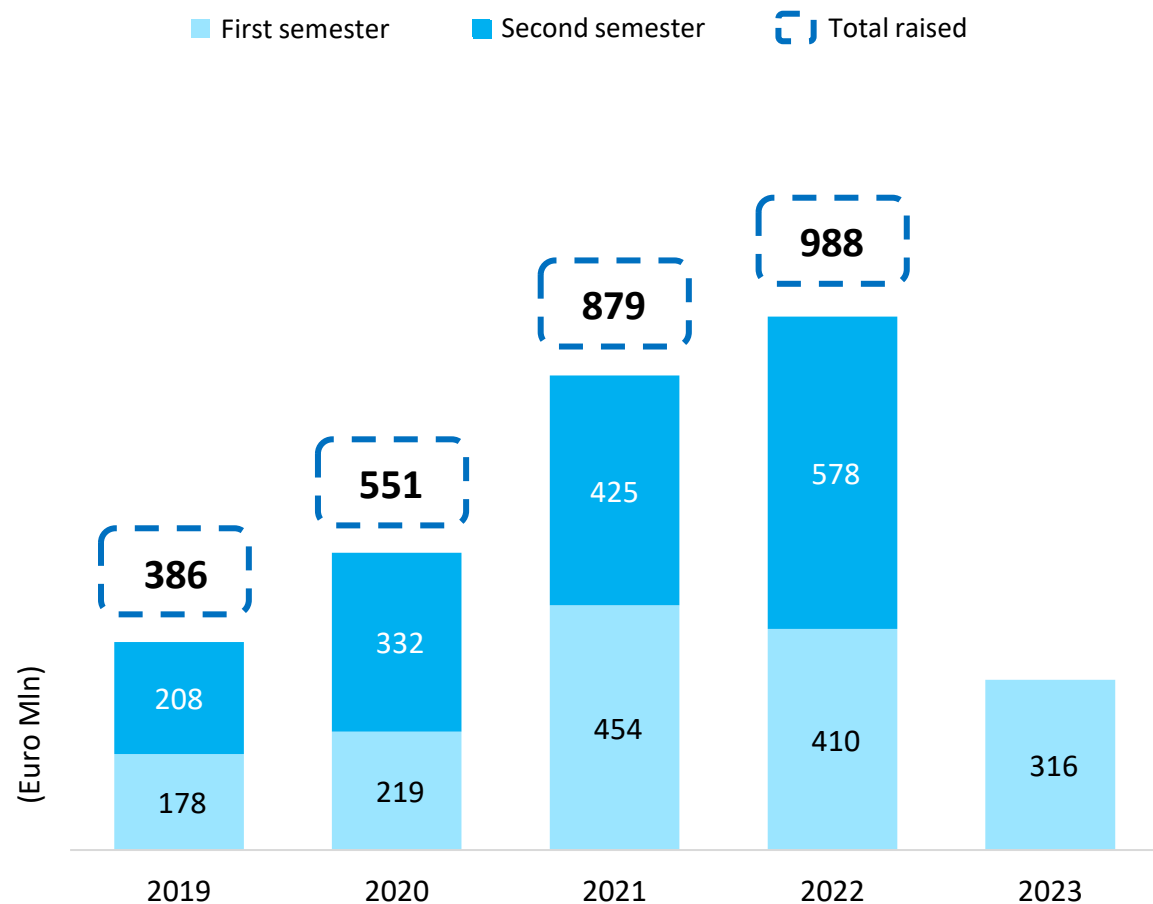
AIFI

Associazione Italiana del Private Equity,
Venture Capital e Private Debt





The private debt Italian market in the first semester of 2023



Evolution of fundraising activity and its main sources



Main sources of independent fundraising in the first semester of 2023

- 1°  Public sector and institutional FoF **63%**
- 2°  Banks **12%**
- 3°  Pension funds **10%**
- 4°  Insurance **7%**

Note: analysis performed on the 89% of the selected sample

Origin of capital raised in the first semester of 2023

Italy 82%



Abroad 18%

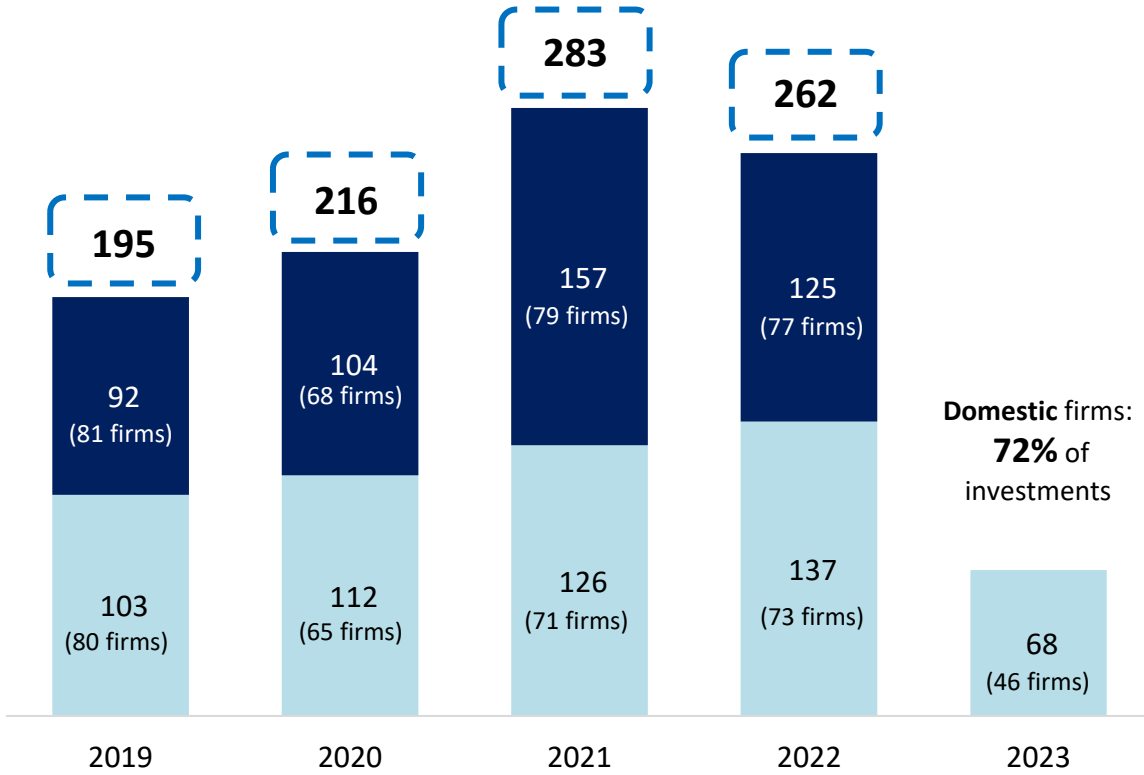


Note: analysis performed on the 89% of the selected sample

Evolution of investment activity

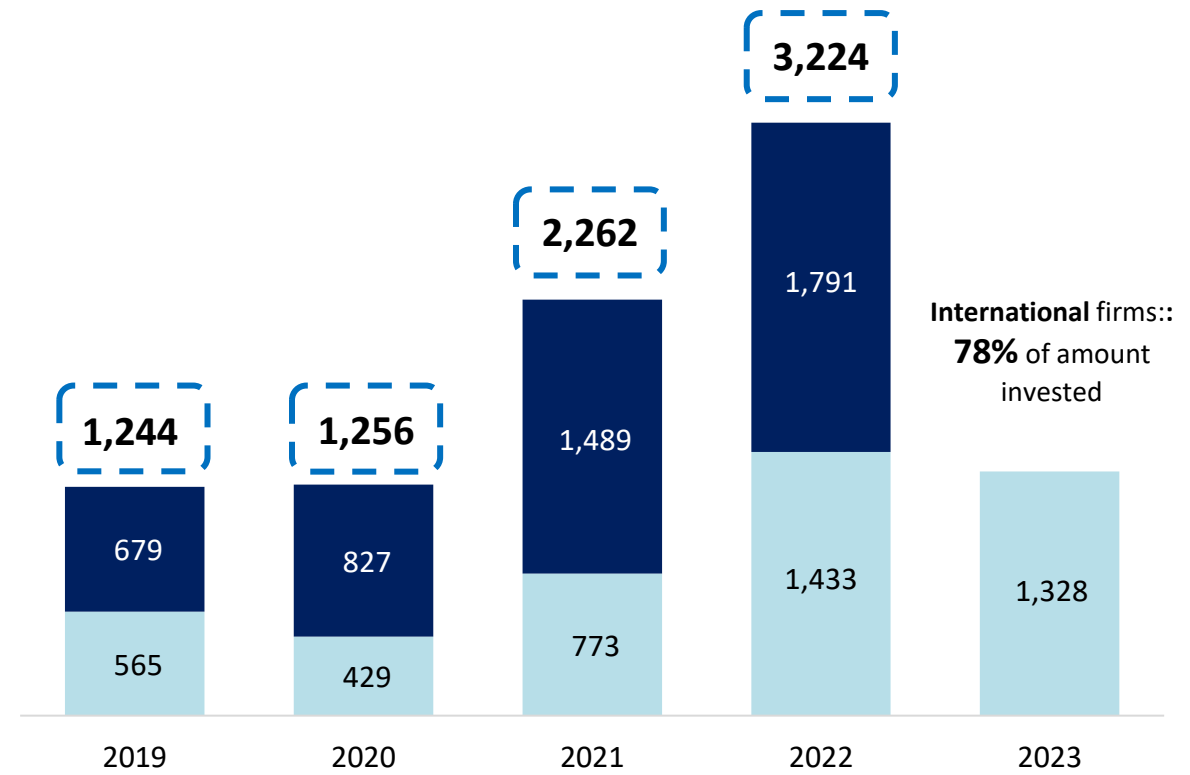
Evolution of the number of investments

■ First semester ■ Second semester □ Total number of investments

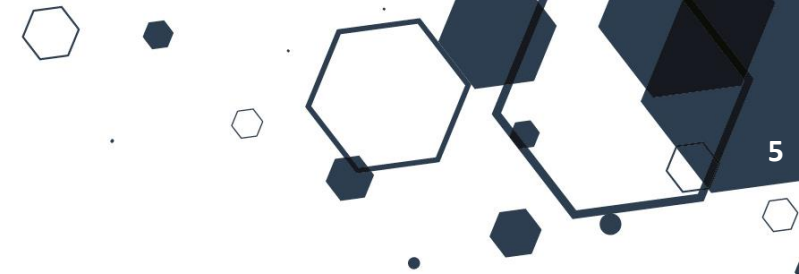


Evolution of amount invested (Euro Mln)

■ First semester ■ Second semester □ Total amount invested

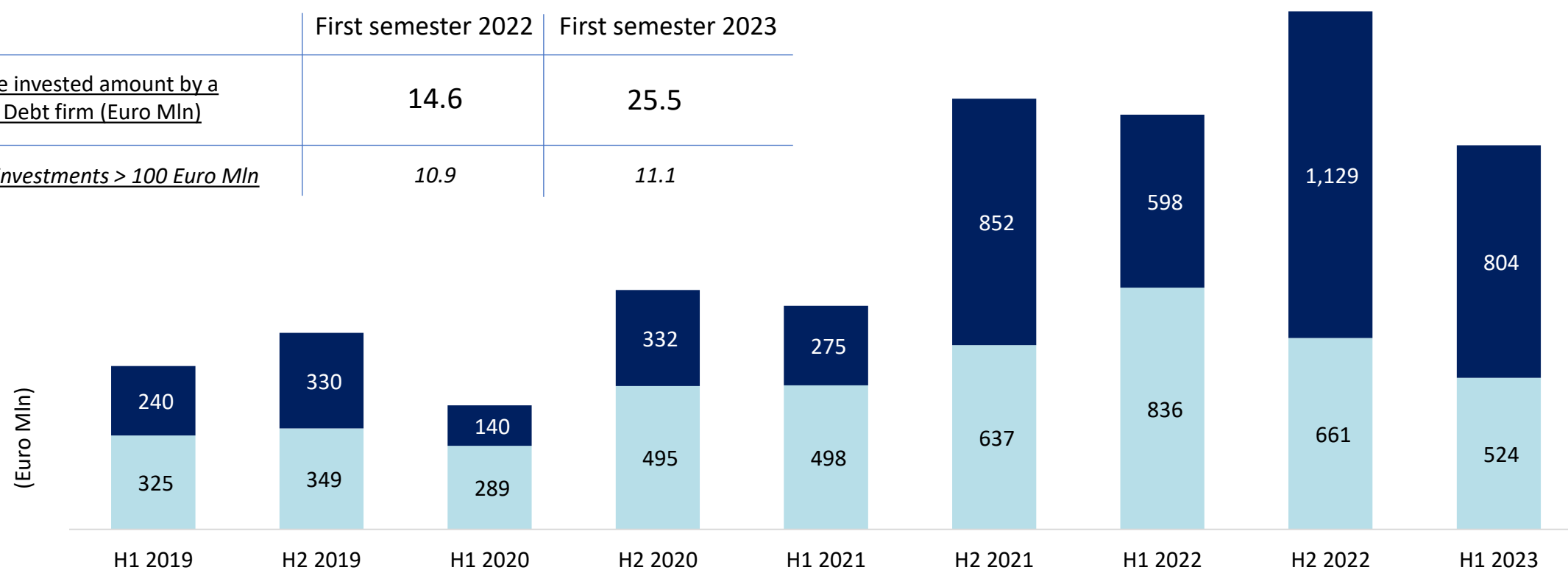


Evolution of investment activity by deal size



■ Amount lower than 100 Euro Mln
 ■ Amount greater than 100 Euro Mln

| | First semester 2022 | First semester 2023 |
|------------------------------------------------------------------|---------------------|---------------------|
| <u>Average invested amount by a Private Debt firm (Euro Mln)</u> | 14.6 | 25.5 |
| <u>Net of investments > 100 Euro Mln</u> | 10.9 | 11.1 |

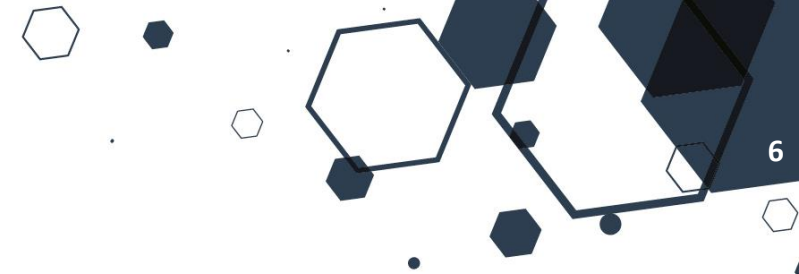


Note (chart): analysis performed by target company

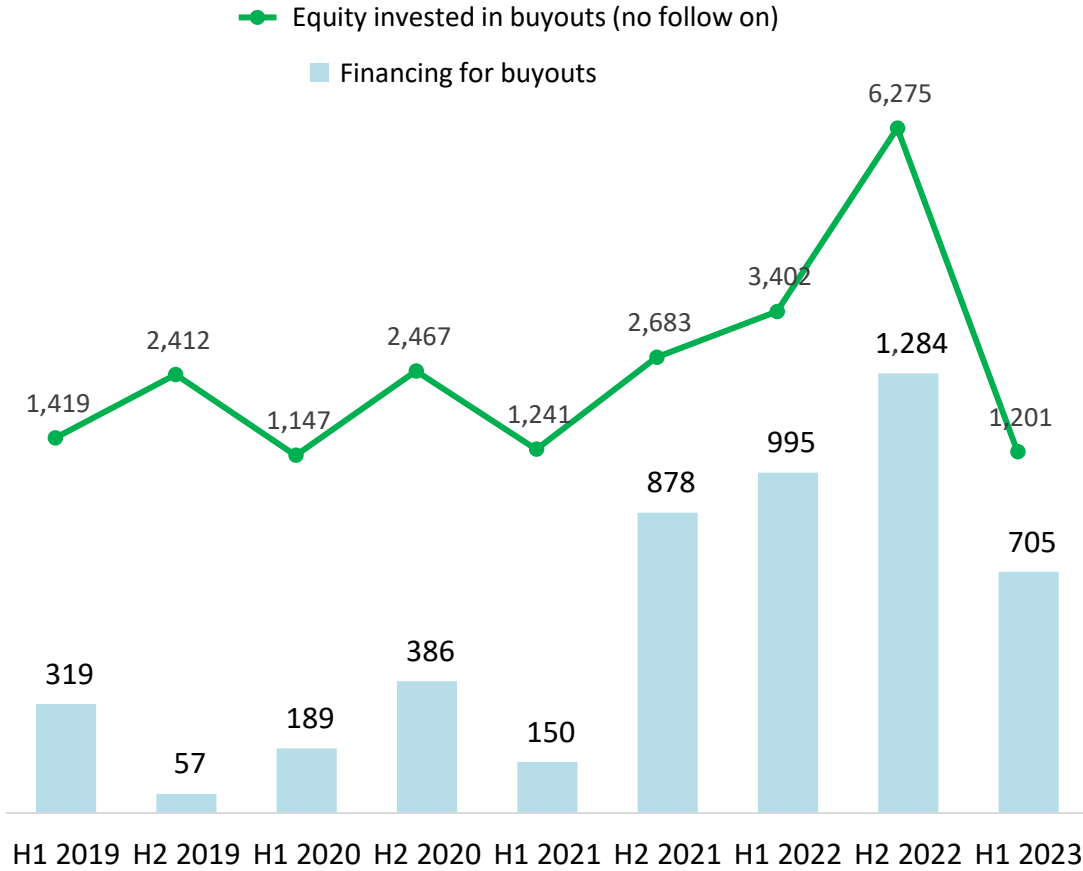
Note (table): analysis performed on single instrument and firm by average amount invested

Source: AIFI – CDP – Deloitte

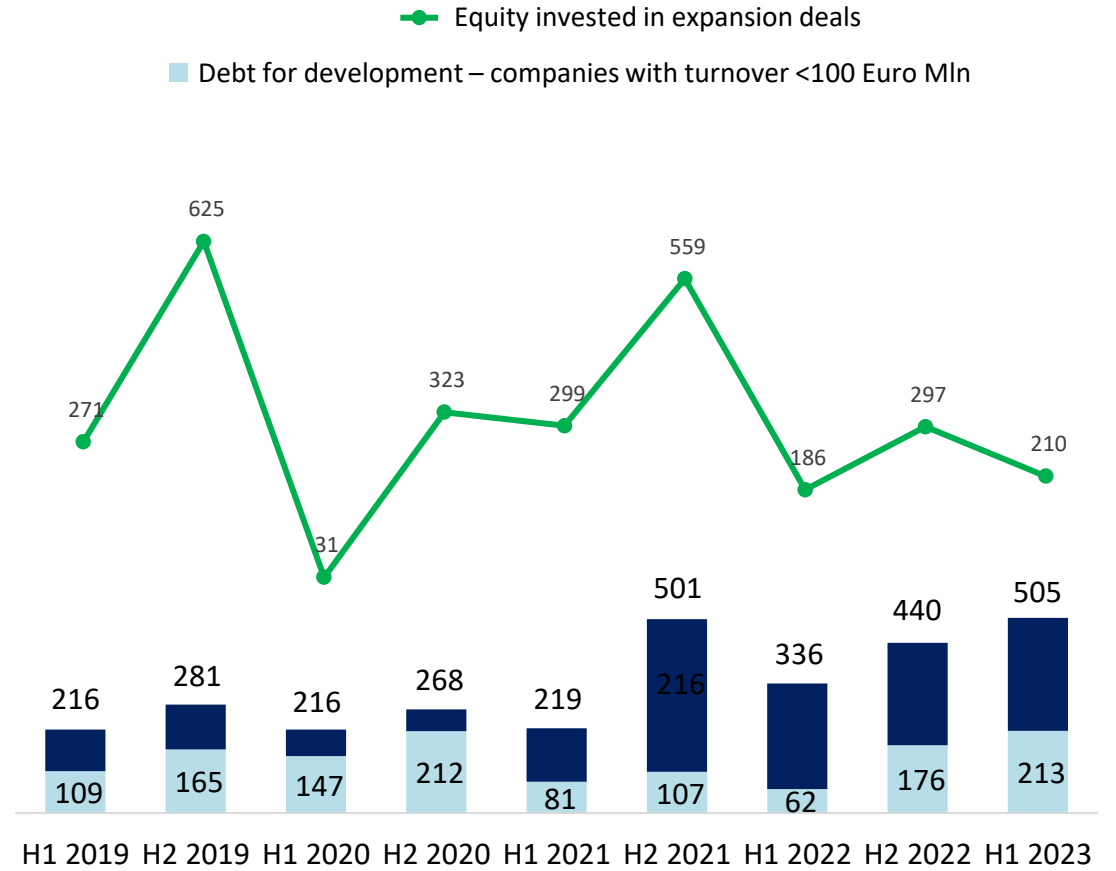
Purpose of investments: LBOs and expansion



LBOs






Expansion



Note: analysis performed on 97% of the invested amount for which the goal is specified
 Source: AIFI – CDP – Deloitte

Main features of investments in first semester of 2023

Distribution of target companies by sector (top sectors)

| | | | |
|----|-----------------------------------------------------------------------------------|-------------------------------|-----|
| 1° |  | Business prod. and serv. | 24% |
| 2° |  | Manufacturing – Food and bev. | 22% |
| 3° |  | ICT | 11% |

53% of target companies
count less than 250 employees

Distribution of target companies by region (top regions)

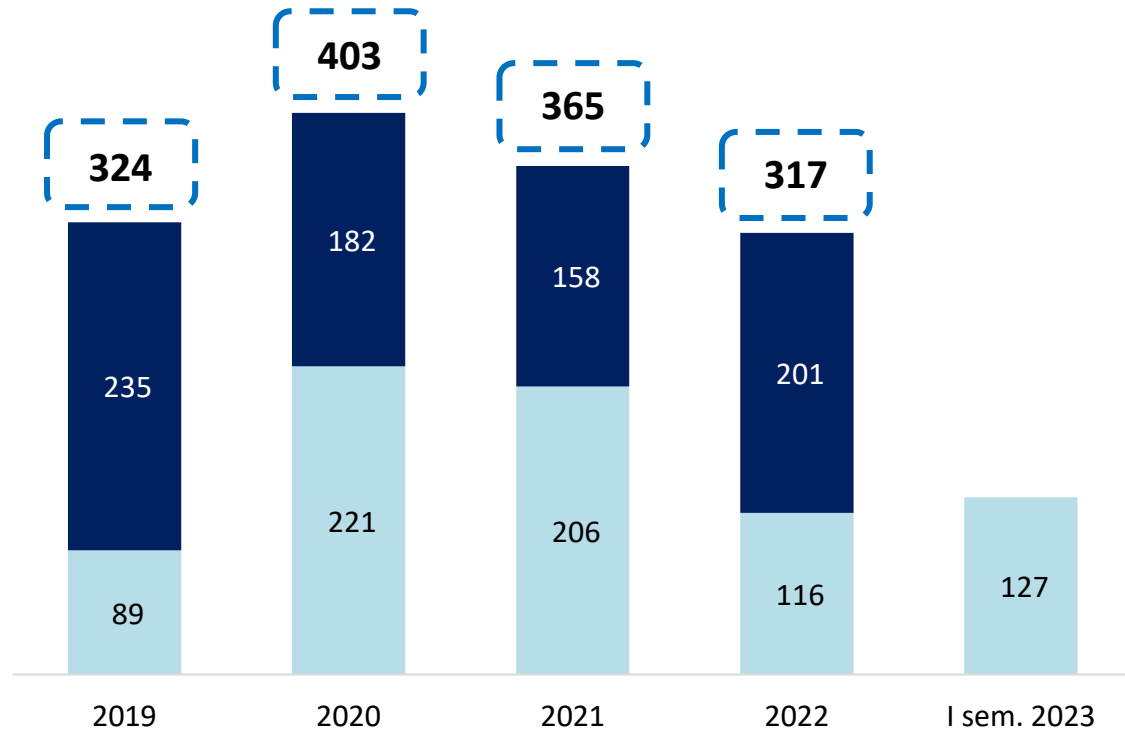
| | | | |
|----|-------------------------------------------------------------------------------------|-----------|-----|
| 1° |  | Lombardia | 26% |
| 2° |  | Veneto | 16% |
| 3° |  | Piemonte | 14% |

50% of the number of investments
are loans, while **47%** are bonds

Evolution of reimbursements: AIFI full members

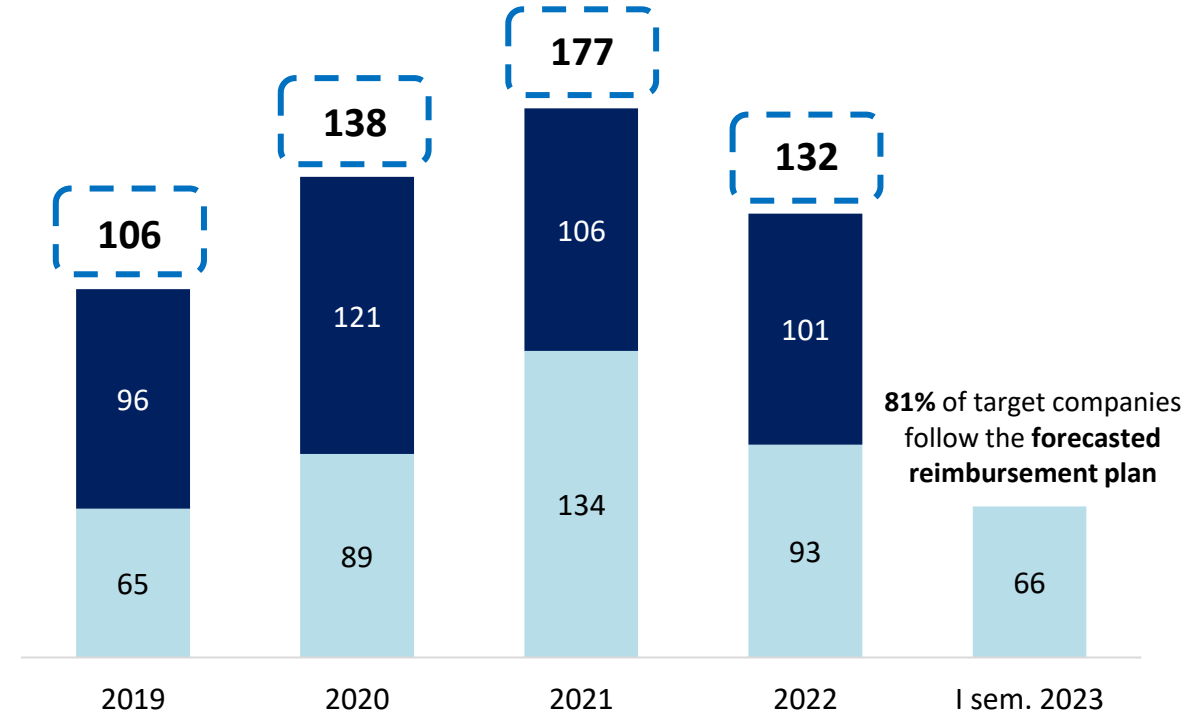
Evolution of amount reimbursed (Euro Mln)

■ First semester ■ Second semester □ Total amount reimbursed



Evolution of the number of target companies making reimburses

■ First semester ■ Second semester □ Total amount invested



The distressed debt and basket bonds market

The distressed debt market

Almost 1.3 Euro Bln
for purchases of **credits¹**
from 2019 to date

**200 Euro Mln of new
money**

The basket bonds market

The basket bonds market
accounts for more than **1.3 Euro
Bln²** in **March 2023** with **278
issuing companies**

The intervention of CDP in the basket bonds market

From 2017 to **first semester of
2023 CDP** invested a total amount of **930
Euro Mln** to finance **196 companies**.
In August 2023 more than
1.0 Euro Bln was invested in **207 companies**

Note: (1) The amount of purchased credits refers to their «in the money» value and not to their Gross Book Value. In cases where only the Gross Book Value was available, an estimate based on market evidence is made. Shipping and real estate are excluded from the analysis.

(2) The basket bond Viveracqua Hydrobond (623 Euro Mln), on the integrated hydrical cycle in the Veneto region, is excluded for the sake of homogeneity of the analysis.

Source: AIFI – CDP – Deloitte