23 Aprile 2020

Italy's private debt and NPLs weekly roundup.News from Springrowth, ABI, Assifact, Milan Polytechnic, CreditVillage, Frigomec, TLRNet, Intesa Sanpaolo, Convergenze, Nexi, Trevi, Moby

Gianluca Oricchio, the ceo of **Muzinich & Co**'s direct lending operator **Springrowth sgr,** said to *BeBeez* that the fund can provide facilities with the warranties of Italian foreign trade insurer **Sace** (see here a previous post by *BeBeez*). Springrowth, which invests in credits and bonds, raised 417 million euros in commitments from variousinvesstors, having as anchor investors **Cdp** and the **European Investment Fund** (50 million euros each). The fund already financed **Farnese Vini, Lifebrain, Linkem, GPI, CBG Acciai, MEC3, Casa della Piada CRM, Bianalisi,** and **Italcanditi**. The fund aims to close 100 transactions in the next one and a half years. The fund aims to provide institutional investors like insurers and pension funds with a constant flow of returns and low risks. Springrowth lends to companies with a credit rating between BB and BB- for a gross expected yield for the portfolio of 4% (3.5% net), while the median risk of the typical private debt fund support lenders with a B+ rating with a 6-7% gross yield. Springrowth also aims to launch a 200 – 300 million rescue financing fund between 4Q20 and 1Q21 for providing mid to short-term cash to companies in distress. Sign up here for BeBeez Newsletter about Private Debt and Direct Lending and receive all the last 24 hours updates for the sector.

The task force that Italian foreign trade insurance **SACE** formed with **ABI,** the association of Italian banks, announced that **Garanzia Italia**, the tool for providing companies hit by the COVID-19 emergency with loans with the warranty of SACE and the Italian Government (see here a previous post by *BeBeez*). The fund can provide a warranty in 48 hours for loans of up to 375 million euros. However, banks will carry on a credit check about the applicant for the loan. Further information is available on sacesimest.it/garanziaitalia.

Assifact, the Italian association of factoring firms, asked the Italian Government to provide warranties on the sale of credits for supporting the companies hit by the COVID-19 emergency (see here a previous post by *BeBeez*). Such warranty could move financial flows worth up to 80 billion euros, while Government resources would be of 5 billion.

At the end of 2018, supply chain finance transactions in Italy amounted to 483 billion euros, said the **Supply Chain Finance Observatory of the School of Management at Milan Polytechnic University** during the online event "Supply Chain Finance: level up!" (see here a previous post by *BeBeez*).

However, the BeBeez Private Debt and Direct lending Report for 2019 (available to the subscribers to **BeBeez News Premium**) says that invoice financing platform handled transactions worth 1.12 billion. The Italian SCF market is the third in Europe for size and makes 3% of the potential global market that at the end of 2018 was worth 16,500 billion euros. **Antonella Moretto** is the director of the Supply Chain Finance Observatory.

BeBeez is the media partner for **The Credit Village Digital Week Week**, a digital conference about distressed assets, that will take place between 27 and 30 April, Monday and Thursday organized by CreditVillage and TWIN (see here a previous post by *BeBeez*). BeBeez readers will get a 10% discount for the event ticket (write to info@creditvillage.it for information and mention the promotional code IDW2020). The participants to the Digital Week will be able to subscribe to **BeBeez News Premium** and get access to exclusive reports and insights for a fee of 199 euros (plus VAT per year. Write to info@edibeez.it for further information. Further information available here.

Milan Court accepted the receivership application of **Galimberti**, the Italian chain of **Euronics**-branded shops that **Paolo Galimberti** heads (See here a previous post by *BeBeez*). On 14 January 2020, Milan Court appointed **Maurizio De Filippo** as the company's commissioner and set a hearing for 10 June 2020 for appraising the company's liabilities. In 2017, Galimberti posted sales of 182 million euros, an ebitda of minus 25 million, net losses of 38.6 million, a net financial debt of 24.6 million, and equity of minus 29 million. In 2018, the company generated revenues of 69.8 million, an ebitda of minus 15.7 million, net losses of 13 million, net financial debt of 30.3 million, gross debt of 80.7 million, and equity of minus 42 million.

Frigomec issued a minibond of 0.25 million euros that institutional investors subscribed (See here a previous post by *BeBeez*). The company has sales of 2.94 million, an ebitda of 0.228 million and will invest the raised proceeds in its organic development. Sign up here for BeBeez Newsletter about Private Debt and receive all the last 24 hours updates for the sector.

TLRNet, a subsidiary of **Egea** in which **Icon Infrastructure Partners** invested, received a financing facility of 92 million euros from a pool of banks (See here a previous post by *BeBeez*). TLRNet will invest such proceeds in its organic development. Icon Infrastructure acquired 49% of the business in December 2017. Earlier in January, the fund acquired 49% of Egea's public lighting activities. Egea has sales of 781.5 million euros, an ebitda of 29.1 million, and net financial debt of 149.4 million that includes a 15 million Milan-listed due to mature in March 2021 and paying a 5.5% coupon.

Intesa Sanpaolo carried on the securitization of a portfolio of Utp leasing credits that are part of a portfolio worth about 3 billion euros (see here a previous post by *BeBeez*). Such portfolio is in turn part of the agreement that the bank signed with **Prelios** for the management of an amount of UTPs of 9.7.

At the end of 2019, the gross distressed credits of Intesa Sanpaolo amounted to 31.3 billion (14.2 billion net) for a gross NPE of 7.6% (3.6% net). The bank's distressed credits in 2018 were worth 36.5 billion (16.6 billion net) for a gross NPE of 8.8% (4.2% net).

Convergenze, an Italian provider of tlc services, energy and natural gas, issued a seven years minibond of one million euros, that **Unicredit** subscribed (see here a previous post by *BeBeez*). The company will invest the proceeds in its organic development, said the ceo **Rosario Pingaro**. Convergenze has sales of 13.74 million euros and an ebitda of 1.3 million. Sign up here for BeBeez Newsletter about Private Debt and receive all the last 24 hours updates for the sector.

Milan-listed **Nexi**, the paytech of which **Advent International, Bain Capital** and **Clessidra** have a controlling stake, placed on 16 April, Thursday, senior unsecured equity-linked bonds amounting to 500 million euros due to mature in 2027 and paying a biannual coupon of 1.75% (see here a previous post by *BeBeez*). The company will apply for listing the bonds on Vienna stock market within 90 days since the issuance. The company will invest such proceeds in financing the acquisition of the merchant acquiring assets of **Intesa Sanpaolo** and in reducing the amount of the bridge loan that received from some joint bookrunner which are **BofA Securities, Banca Imi, Goldman Sachs International, Ubi Banca, HSBC, Banca Akros, Mediobanca** and **JP Morgan**. In December 2019, Intesa Sanpaolo announced that it was going to pay 653 million for 9.9% of Nexi that in turn would have acquired the bank's merchant acquiring activities. The European Antitrust Authority has not yet given its approval for the transaction. Nexi has sales of 984.1 million, an ebitda of 502.5 million, net debt of 1.47 billion (2.45 billion yoy). The company's leverage is 2.9 X ebitda. Investors will have the possibility to convert such bonds in shares of Nexi after the approval of the majority of the participants to the extraordinary meeting. After such approval, Nexi will issue a Physical Settlement Notice for the bondholders. Before the notification of the Physical Settlement Notice from Nexi, the bondholders will be able to receive an earlier repayment in cash alternative amount instead of shares during the Settlement Period. The joint bookrunners made an accelerated block building placement of Nexi shares through a Concurrent Equity Offering procedure on behalf of the bondholders. The initial conversion price of the bonds will be of 19.47 euros, or 50% above the Reference Share Price of 12.98 euros, which is the placement price of the shares for the Concurrent Equity Offering.

Trevi Finanziaria Industriale (Trevifin), the troubled Italian engineering group, announced to have generated sales of 624.3 million euros (50 million less than the target of the business plan (see here a previous post by *BeBeez*). The recurring ebitda has been of 59 million (2 million less than target) with net losses of 73 million and net financial debt of 732 million, 519 million higher than the target. Trevifin previously deferred from 31 March 2020 to 31 May 2020 the launch of a capital increase of 130 million for which the shareholders **FSI Investimenti**, a subsidiary of **Cdp Equity**, **Polaris Capital Management** and the lending banks would have provided a cash guarantee. The company will launch the capital increase by the end of April.

Moody's downgraded the corporate rating of Italian shipping company **Moby** from C to Ca and from Ca to Caa3 the rating of the company's 300 million euros bond (see here a previous post by BeBeez). Market participants expected such a downgrade as in February the company didn't pay the coupon of the bond nor the interest for the revolving credit line of 260 million. Moody's said that the company outlook is negative as Moby must reach a restructuring agreement.

https://bebeez.it/en/2020/04/23/italys-private-debt-and-npls-weekly-roundup-news-from-springrowth-abi-assifact-milan-polytechnic-creditvillage-frigomec-tlrnet-intesa-sanpaolo-convergenze-nexi-trevi-moby/