

PRESS RELEASE

EQUITA completes three new private debt investments

**Total capital deployed since
the launch of the private debt
asset class increases to €373
million, with positive impact on
the real economy**

Milan, 11th July 2024

EQUITA Capital SGR – one of the primary multi-strategy asset managers in Italy with a focus on alternative assets – announces **three new private debt investments, totalling €42.7 million**. This brings to thirty the total number of investments completed since the launch of the EQUITA's private debt asset class in 2016.

Today, the aggregate private debt portfolio, which includes the EQUITA Private Debt Fund ("EPD") launched in 2016 and the EQUITA Private Debt Fund II ("EPD II") launched in 2020, **totals more than €373 million of capital deployed and is significantly diversified in terms of sectors. The portfolio offers an appealing investment opportunity thanks to a moderate risk profile**, with a leverage ratio below 3.4x at entry¹.

Industrials is the most-represented sector in the portfolio, representing 43% of total invested assets, followed by **Food & Beverage** (25%), **Information Technology** (9%), **Consumer** (7%), **Healthcare** (6%), **Business Services** (6%) and **Energy & Utilities** (4%).

In terms of sustainability, the portfolio's overall ESG scoring is constantly improving, thanks to the constant commitment of the team to promote and improve sustainability-linked KPIs for each small and mid-sized company in the portfolio, the recurring monitoring of relevant Principal Adverse Indicators and the presence of an internal ESG Committee.

Portfolio data also confirms EQUITA's positive contribution to the growth of invested companies. Following the closing of a private debt investment – very often financing leading private equity players with their acquisitions of target companies – the **average annual growth rate of sales has increased to above 20% and the average growth per year of EBITDA has increased to 22%**. The private debt investments also positively impacted the employment rate of invested companies, with **more than 5,200 jobs created from 2016 to 2023**.

Private debt is a reliable tool to fund the real economy, thanks to its ability to move individual savings toward outstanding small and mid-sized companies. **It also offers interesting returns to investors, which in the case of EPD and EPD II funds are expected to be in the double digits**.

In parallel to its investing and monitoring activities, the EQUITA's private debt team is working on **fundraising its new EQUITA Private Debt Fund III**, which will qualify as an **Article 8 product** under the European SFDR, **promoting environmental, social and governance best practices in its portfolio companies**. The team is

¹ Leverage ratio = Net Debt / EBITDA.

seeing a **further diversified investor base** in terms of both domestic and international LPs, and the aim is to raise **at least €200 million by 2024 year-end and close the fund with €300 million commitments in 2025**.

Paolo Pendenza, Head of Private Debt and Co-Head of Alternative Asset Management at EQUITA, commented: *"In the second quarter of 2024, we have supported the real economy with three new investments, capitalising on our strong pipeline and reinvesting the proceeds of first divestments. This strategy offers interesting returns to our investors, which are expected to be in the double digits for both the EPD and EPD II funds. In parallel, the fundraising of our third fund EPD III continues. We are glad to see an even more diversified and international investor base compared to the past. This demonstrates the credibility that the team has achieved since 2016. The growth of our private debt business follows the evolution of the entire Group. Today, EQUITA Capital SGR is one of the very few multi-asset management companies in Italy with a focus on illiquid products, and is one of the largest with more than 20 professionals".*

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EQUITA is the leading independent Italian investment bank. As the go-to partner of investors, institutions, listed companies, corporates and entrepreneurs, EQUITA acts as broker, financial advisor and alternative asset management platform by offering a broad range of financial services that include M&A and corporate finance advisory, access to capital markets, insights on financial markets, trading ideas and investment solutions, in Italy and abroad, assisting clients with their financial projects and strategic initiatives. Drawing on half a century of experience, EQUITA is committed to promote the role of finance by creating value for the economy and the entire financial system, thanks to its deep understanding of markets, strategic transactions, and sustainability. A unique business model, where research is at the core of the strategy and where clients get access to a leading trading floor constantly connected with financial markets globally, a successful track-record in the execution of investment banking transactions – enhanced also by the exclusive partnership with Clairfield who identifies crossborder opportunities for Italian and foreign companies – and a proved expertise in the management of investment funds, especially in illiquid asset classes like private debt, private equity, infrastructures and renewables. EQUITA stands out for its independence and integrity, the commitment of its professionals to best-serve clients, and the concept of "partnership" that sees its managers and employees as shareholders of an investment bank listed on the Italian Stock Exchange as "STAR" company. Visit www.equita.eu to learn more... because WE KNOW HOW