

Press release

## **2019 Results: resources mobilised in support of Italian companies' export and internationalization reach 21.2 billion Euro**

SACE's financial statements were approved on 31 December 2019: net profit of 141.6 million Euro, positive performance indicators (ROE of 3%) and solidity of equity (Solvency Ratio of 177%). The companies served throughout the year rose by 10% thanks to the digitalization of the offering and initiatives for accompanying them overseas.

Rome, 06 May 2020 – SACE announces its 2019 results, approved by the Shareholders' meeting.

In 2019, SACE, which constitutes the Export and internationalization Hub alongside SIMEST, mobilised a total of 21.2 billion Euro of resources in support of Italian companies. It served a total of 11,600 companies, in part thanks to a recently digitalized offering and to the creation of a structured set of initiatives for accompanying companies overseas.

The portfolio of completed transactions reached 134 billion Euro on 31 December 2019, with around 23,000 businesses active at the level of the Hub, 95% of which were SMEs.

At the same time, in line with the strategic objectives of the 2019-2021 Industrial Plan, the economic and equity sustainability targets were reached with an ROE of 3%, a Solvency Ratio of 177%, and a Cost/Income ratio of 18%.

These results were obtained after a 2018 characterised by particularly significant results (with mobilised resources equal to 28 billion Euro) and in a year that was anything but simple from the point of view of the benchmark economic context. 2019 was, in fact, marked by several external shocks: first of all, the tensions on international markets and protectionist escalation between the USA and China. This translated into the lowest level of growth in global economic activity of the last ten years (2.6%) and almost stationary global trade, with inevitable repercussions for Italian exports as well.

### **BUSINESS SUPPORT: DIGITALIZATION AND ACCOMPANIMENT INITIATIVES**

Two distinguishing elements of the Hub's activities in 2019 were an increasingly digital offering and a structured set of accompaniment initiatives; these enabled SACE to score an increase of 10% in companies served in the year. Below are the key elements.

**Accompaniment.** In the course of the year, a new commercial model was launched to support to Italian SMEs, setting up a unit that is exclusively dedicated to the smallest businesses and introducing Export Coaches. The latter are a team of professionals with digital and commercial skills, with the specific

mandate of guiding and accompanying SMEs in accessing the on and offline tools of SACE SIMEST, alongside the commercial network.

**Digitalization.** The sacesimest.it website has been redesigned, becoming a single point of access for the Hub's entire insurance and finance offering. It has six key product lines for SMEs (credit insurance, counterparty assessment, subsidized loans and financial guarantees, digital factoring, surety bonds, and debt collection) that are fully available online and boast optimized response times. More than 7,600 digital purchasing processes have been transferred to the platform.

**Export culture.** The free training program, "Education to Export", has been strengthened. With its high digital content, this program (sacesimest.it/education) was developed in order to promote a wider export culture and increase the number of exporter SMEs. In 2019, more than 11,000 users were reached, of which around 2,200 have had a profitable relationship with the services that the program offers on and offline.

**Business matching.** Both in Italy and abroad, initiatives within the Push Strategy continued. 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 procurement in Italy. In 2019, more than 600 Italian companies took part in B2B events.

## BUSINESS SUPPORT: REGIONS AND SECTORS

SACE's operations generated 56% of resources mobilised by the Hub, equal to 11.9 billion Euro. The regions towards which the greatest flows of mobilised resources were registered included: the Middle East and North Africa, emerging Europe and the European Union, while the most significant increases were registered towards the Americas (in particular, the United States, Mexico, and Brazil) and Asia, with Malaysia, India, and Japan in the top spots. The most closely involved sectors, on the other hand, were oil & gas, cruises, and chemicals/petrochemicals, with their vast supply chains of specialised, sub-contracting SMEs. The greatest number of transactions was recorded, however, in the mechanical engineering sector (which alone represents 20% of total transactions), followed by the infrastructure and construction and agri-food sectors.

In 2019, SIMEST mobilised 732 million Euro, net the synergistic operations with SACE for export credit transactions, which was basically in line with the 746 million from last year. The positive performance of subsidized loans, equal to 290 million Euro and up by 17% on 2018, should be highlighted. Of these, 94% went to SMEs to support their internationalization efforts.

The resources mobilized by SACE BT, a company active in credit insurance, surety bonds, and construction risks, grew by 7%, reaching 5.1 billion Euro, while the activities managed by SACE FCT, the factoring company that generated 3.5 billion Euro (compared to 3.7 billion in the previous year), remained more or less stable. The performance of SACE SRV, the Hub company specialized in debt collection, was also positive; with 40 million in credit recovered, it consolidates its role in supporting companies.

## ECONOMIC SUSTAINABILITY: RESULTS OBTAINED

The growth in resources mobilized by SACE SIMEST occurred in line with the economic and financial sustainability objectives of the business model and with the Industrial Plan targets. The main results of the SACE income statement and balance sheet, as of 31 December 2019, are listed below.

**Premiums.** The gross premiums from SACE activities amount to 565.4 million Euro (727.8 million in 2018). This result is mainly owing to the overall decrease in mobilized resources, which reached a record level last year.

**Claims.** The claims liquidated in 2019, net of reinsurance, amount to 221.7 million Euro (in line with last year) mainly in relation to insured transactions in the construction sector, while in terms of different countries, no particular concentrations are identified.

**Profit.** Net profit stands at 141.6 million Euro, a decrease of 24% compared to the previous financial year (equal to 186.1 million Euro), mainly due to the decrease in premiums, a slight increase in operating expenses, and the contracted results of some subsidiaries. Also affecting net profit was the global slowdown in economies and trade. In this context, the dividend approved by the Shareholders' meeting today is equal to 70 million Euro.

**Financial position.** Net equity is equal to 4.8 billion Euro (substantially unchanged with respect to last 31 December 2018), while the technical provisions amount to 4.2 billion Euro (+5%).

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