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Press Release

Intrum establishes long-term strategic partnership with Piraeus Bank and acquires its Recovery Management Services platform to further strengthen the position in Greece

Intrum has agreed with Piraeus Bank ("PB") to acquire PB's Recovery Management Services platform; Recovery Banking Unit ("RBU"). The RBU will be hived-down into a separate legal entity ("NewCo"), valued at €410m, which will be fully consolidated by Intrum. Intrum will acquire 80 per cent of the shares in the NewCo corresponding to a purchase price of €328m of which only €296m is paid in cash on closing of the transaction with the remainder planned after year end 2022. The NewCo is based on a long-term strategic partnership with PB owning the remaining 20 per cent of the shares.

"The acquisition is in line with our strategy and represents a significant strategic step for Intrum further into Greece. The Greek market has been a high priority for us but given the challenges associated with a relatively under-developed market, despite the very large volumes of debt, it was crucial for us to find and work in a transparent, bilateral way with a constructive partner. We found this partner in Piraeus Bank," said Mikael Ericson, President and CEO of Intrum.

The deal puts Intrum in a leading position on one of the largest markets for non-performing loans in Europe, which creates strong growth opportunities going forward. The Greek market is improving and as the leading European credit management company, Intrum has again demonstrated that the company can work with the largest financial institutions to address the challenges presented by their non-performing exposures.

Acquisition summary and highlights:

- PB will transfer the RBU into a separate legal entity ("NewCo").
- Intrum will acquire 80 per cent of the shares in NewCo. The remaining 20 per cent of the shares will be held by PB.
- NewCo will enter into agreements regarding servicing of PB's Non-Performing Exposures (NPE) and REO portfolio (which currently has a Gross Book Value of over €28bn), on an initial ten year-term.
- The majority of PB's NPE portfolio will be transferred to and held by a securitization Special Purpose Vehicle (SPV) prior to closing.
- The envisaged transaction will be fully funded through existing facilities, and Intrum will acquire 80 per cent of the shares in the NewCo corresponding to a purchase price of €328m, of which only €296m is paid in cash on closing of the transaction with the remainder planned, subject to achieving certain financial targets, after year end 2022.
- The purchase price represents an EBITDA multiple in the mid-single digits consistent with the level of development of the Greek market.
- The transaction will be significantly EPS accretive, adding approximately 10 per cent to EPS in 2020.
- The transaction puts Intrum in a market leading position in Greece, which is one of the largest markets for non-performing loans in Europe with ca €90bn of non-performing loan exposures on banks' balance sheets.
- The parties aim for closing on 1 October 2019.
- The completion of the transaction will be subject to authorizations being received from the relevant authorities and finalization of certain ancillary transaction documents.

"We are very pleased with the partnership with Piraeus Bank and the structure of the deal, which gives us confidence in the security of the transaction. We look forward to working with Piraeus in the period before closing to develop operational plans that will reassure debtors and RBU employees that this is a positive step for them too," added Mikael Ericson.

"This partnership represents another significant step in the journey towards our 2020 targets, driving step change in growth and delivering strong cash flows contributing to our deleverage goals. It is a significant portion of Intrum's planned M&A in 2019, and we will naturally rebalance the investment agenda for the remainder of the year," concluded Mikael Ericson.

NewCo

The new company will have a strong market-leading position on the market in Greece with ca 1,300 employees. Intrum will bring long and vast international experience to the business and combine those with the vast amounts of local knowledge and experience. Thereby value will be created by strengthening and improving the collections processes and approach. Intrum has the right to appoint the majority of the board members and the chairman of the Board of Directors.

Financial advisors

Barclays Bank PLC, acting through its Investment Bank ("Barclays")
Goldman Sachs

Legal advisors

Zepos & Yannopoulos
White & Case

Presentation of the deal

President & CEO Mikael Ericson and CFO Anders Engdahl will comment the transaction in a conference call on 3 June 2019 at 11:00 a.m. CET. The audio conference will be held in English.

To listen in to the conference, please dial:

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[Link to audiocast](#)

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About Piraeus Bank

Headquartered in Athens, with approximately 12.1th employees, Piraeus Bank Group offers a full range of financial products and services to approximately 5,3 million customers in Greece. Net loans of the Group in Greece amounted to €37,500m and customer deposits to €44,500m on December 31, 2018.

Intrum is the industry-leading provider of Credit Management Services with a presence in 24 markets in Europe. Intrum helps companies prosper by offering solutions designed to improve cash flows and long-term profitability and by caring for their customers. To ensure that individuals and companies get the support they need to become free from debt is one important part of the company's mission. Intrum has more than 9,000 dedicated professionals who serve around 80,000 companies across Europe. In 2018, revenues amounted to SEK 13.4 billion. Intrum is headquartered in Stockholm, Sweden and the Intrum share is listed on the Nasdaq Stockholm exchange. For further information, please visit www.intrum.com.

This information is information that Intrum AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 09:00 CET on 2019-06-03.