

## PRESS RELEASE

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### **CERVED GROUP: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED RESULTS AS OF 30 JUNE 2018**

#### **GROWTH IN REVENUES, ADJUSTED EBITDA, ADJUSTED NET INCOME AND OPERATING CASH FLOW <sup>1)</sup>:**

- **Revenues: Euro 223.0 million, +12.3% compared to Euro 198.6 million in the first semester of 2017;**
- **Adjusted EBITDA <sup>2)</sup>: Euro 102.4 million, +11.9% compared to Euro 91.5 million in the first semester of 2017, resulting in an Adjusted EBITDA margin of 46.0%;**
- **Adjusted Net Income <sup>3)</sup>: Euro 52.8 million, +11.8% compared to Euro 47.2 million in the first semester of 2017;**
- **Operating Cash Flow <sup>4)</sup>: Euro 76.4 million, +2.6% compared to Euro 74.5 million in the first semester of 2017;**
- **Consolidated Net Financial Position: Euro 544.3 million as of 30 June 2018, equating to 2.7x last twelve month Adjusted EBITDA.**

1) 2017 figures restated to reflect IFRS 15 and IFRS 9

2) Adjusted EBITDA excludes the impact of the Performance Share Plan 2019-2021.

3) Adjusted Net Income excludes non-recurring income and expenses, amortisation of capitalized financing fees, amortisation of the Purchase Price Allocation and non-recurring income taxes.

4) Based on Adjusted EBITDA.

**San Donato Milanese, 30 July 2018** – The Board of Directors of Cerved Group S.p.A. (MTA: CERV, the “**Company**” and previously Cerved Information Solutions S.p.A.) – the largest information provider and credit servicer in Italy – today approved the Semiannual Report as of 30 June 2018.

Marco Nespolo, Chief Executive Officer of the Group, commented:

*“In the first half of 2018 the Group achieved strong growth rates, with Revenues increasing +12.3%, Adjusted EBITDA +11.9% and Adjusted Net Income +11.8%. We remain confident in the expected growth rates for the year in progress.”*

*“At the divisional level, Credit Information registered growth rates in Revenues and Adjusted EBITDA in line with prior years, also thanks to the recovery of the corporate segment following a soft first quarter, and to the constant growth of the financial institutions segment. The Credit Management division continues to be the Group’s growth engine, particularly following the onboarding of NPLs from the Atlante and REV funds, and the consolidation of the newly acquired credit servicing platforms from Banca MPS and Banca Popolare di Bari.”*

*“The results for the first half of 2018 confirm the financial solidity of the Group, with a leverage ratio of 2.7x last twelve month Adjusted EBITDA, and despite the payment of Euro 52 million in dividends and cash outflows of approx. Euro 82 million for acquisitions. The Board of Directors also approved to execute a share buyback program for up to Euro €30 million over the next 6 months, in order to service the LTIP scheme and in compliance with the objectives approved by the Shareholders’ Meeting.”*

## Analysis of Consolidated Revenues

In the first half of 2018 the Group's revenues increased by 12.3%, reaching Euro 223.0 million compared to Euro 198.6 million in the first half 2017.

The Credit Information division grew by 3.0% thanks to the positive contribution of both business segments. The Corporate segment grew by 3.4% compared to the first half of 2017, mainly thanks to the positive performance of the field sales network, which made further progress on its growth and customer consolidation. The Financial Institutions segment confirmed the performance of previous quarters, growing by 2.4%; this was mainly driven by the strong demand for appraisals in the real estate segment and the positive contribution of new product launches within the Analytics segment.

The Credit Management division grew by 44.6%. Such growth is mainly related to the underlying organic growth of the business, with the balance deriving from the contribution of the special servicing contracts for NPLs under the industrial partnership with Banca Popolare di Bari (finalized at the end of 2017), and also the partnership with Banca MPS for the servicing of future flows of non-performing loans.

The Marketing Solutions division contracted by 3.0% in the first half of 2017 due to temporary delays in selected projects, and despite growth in sales generated by the field sales network.

<b>Consolidated revenues</b> €m	<b>First Half</b> <b>2018</b>	<b>First Half</b> <b>2017 (restated)</b>	<b>% Growth</b>
Credit Information - Corporates	81.2	78.5	3.5%
Credit Information – Financial Institutios	65.7	64.1	2.4%
Credit Information	146.9	142.6	3.0%
Credit Management	66.4	45.9	44.6%
Marketing Solutions	11.6	11.9	(3.0%)
Eliminations	(1.9)	(1.9)	
<b>Consolidated revenues</b>	<b>223.0</b>	<b>198.5</b>	<b>12.3%</b>

## Analysis of Quarterly Revenues

With reference to the second quarter of 2018, total growth of Revenues was +16.1% compared to the second quarter 2017.

The Credit Information division grew by 4.6%, including an increase of 6.5% in the corporate segment, and an increase of 2.2% in the financial institutions segment. The Credit Management division grew by 55.1%, while the Marketing Solutions division decreased by 7.8%

<b>Quarterly revenues</b> €m	<b>Second Quarter</b> <b>2018</b>	<b>Second Quarter</b> <b>2017 (restated)</b>	<b>% Growth</b>
Credit Information - Corporates	42.7	40.1	6.5%
Credit Information – Financial Institutios	32.3	31.6	2.2%
Credit Information	75.0	71.7	4.6%
Credit Management	37.6	24.2	55.1%
Marketing Solutions	5.9	6.4	(7.8%)
Eliminations	(0.9)	(1.0)	
<b>Consolidated revenues</b>	<b>117.6</b>	<b>101.3</b>	<b>16.1%</b>

### Analysis of Consolidated Adjusted EBITDA

The Consolidated Adjusted EBITDA of Euro 102.4 million in the first half 2018 represents growth of 11.9% with respect to the first half of 2017. The Adjusted EBITDA margin of the Group was 45.9%, slightly lower than the prior year. This result excludes costs related to the attribution of grants for the long term incentive plan *Performance Share Plan 2019-2021* for Euro 3.2 million. The Consolidated EBITDA – which includes such costs – was Euro 99.2 million, representing growth of +9.2% with respect to the first half of 2017, resulting in a Group EBITDA margin of 44.5%.

The Credit Information division reached an Adjusted EBITDA margin of 52.5%, slightly lower than the 53.3% achieved in the first half of 2017. The Credit Management division reached an Adjusted EBITDA margin of 32.4%, higher than 25.7% achieved in the first half 2017, mainly due to the onboarding of NPLs coming from the Atlante funds and the consolidation of the newly acquired platforms of MPS and Banca Popolare di Bari. The Marketing Solutions division reached an Adjusted EBITDA margin of 32.3%, higher than 31.0% in the first half 2017.

Consolidated Adjusted EBITDA €m	First Half 2018	First Half 2017 (restated)	% Growth
Credit Information	77.1	76.0	1.5%
Credit Management	21.5	11.8	82.5%
Marketing Solutions	3.7	3.7	0.9%
<b>Adjusted EBITDA</b>	<b>102.4</b>	<b>91.5</b>	<b>11.9%</b>
EBITDA Margin <i>Adjusted</i>	45.9%	46.1%	

### Analysis of Quarterly Adjusted EBITDA

In the second quarter 2018 the Group's Adjusted EBITDA stood at Euro 54.8 million, a growth of 15.2% compared to the second quarter 2017.

In the same period the Adjusted EBITDA of the Credit Information division grew by 2.3% with respect to 2017, whereas the Adjusted EBITDA of the Credit Management division increased by 90.2%, the latter due to the reasons illustrated above in the analysis of Consolidated Adjusted EBITDA. The Adjusted EBITDA of the Marketing Solutions division decreased by 4.8%.

Quarterly Adjusted EBITDA €m	Second Quarter 2018	Second Quarter 2017 (restated)	% Growth
Credit Information	39.4	38.6	2.3%
Credit Management	13.6	7.1	90.2%
Marketing Solutions	1.8	1.9	(4.8%)
<b>Adjusted EBITDA</b>	<b>54.8</b>	<b>47.6</b>	<b>15.2%</b>
EBITDA Margin <i>Adjusted</i>	48.7%	44.9%	

### Analysis of Consolidated Net Income

With respect to Consolidated Net Income, in the first half 2018 the profit was Euro 36.8 million, improving by Euro 13.1 million compared to Euro 23.4 million in the first half 2017.



Adjusted Net Income – which excludes non-recurring income and expenses, amortization of capitalized financing fees, amortization of the Purchase Price Allocation and non-recurring income taxes – reached Euro 52.8 million, yielding an increase of 11.9% compared to Euro 47.2 million in the first half of 2017.

### Analysis of Consolidated Net Financial Position

As of 30 June 2018 the Net Financial Position of the Group, which includes Euro 52.2 million of dividends paid out in May 2018, was Euro 544.3 million, compared to Euro 522.8 million as of 31 March 2017 and Euro 474.2 million as of 31 December 2017. The ratio of Net Financial Position to last twelve month EBITDA was 2.7x as of 30 June 2018.

Consolidated Net Financial Position €m	As of 30 June 2018	As of 31 December 2017 (restated)	As of 31 March 2017 (restated)
Net Financial Position	544.3	474.2	522.8
LTM Adjusted EBITDA Multiple <sup>1)</sup>	2.7x	2.6x	n.a.

*1) Adjusted to include the EBITDA of the M&A transactions in the 12 months before the selected period*

### Business Outlook

Insofar as the progress of the Group's business operations is concerned, the Group's scenario for 2018 calls for gains in Revenues and EBITDA based on the contribution of all divisions (Credit Information, Credit Management and Marketing Solutions), leveraging on the consolidation of the Quaestio, Banca MPS and BP Bari partnerships, and an improvement of the integration, rationalization and efficiency of processes.

### Beginning of the Share Buyback Programme

Today, 30 July 2018, the Board of Directors of the Company has resolved to commence a share buyback programme, as indicated in a specific press release issued together with the present press release.

### Conference call to comment results as of 30<sup>th</sup> June 2018

The conference call with institutional investors and financial analysts to comment the results as of 30 June 2018 will take place this afternoon, 30 July 2018, at 17:30 (Milan time). For further details visit the website of the Company (<http://company.cerved.com>, *Investor Relations* section, *Financial Calendar* area).

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The Half-Year Consolidated Financial Statements as of June 30, 2018, will be made available, in accordance with terms imposed by current law, at the registered office of the Company (Via dell'Unione Europea n. 6A/6B – 20097, San Donato Milanese), on the authorised storage system eMarketSTORAGE ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the Company website (<http://company.cerved.com>, *Investor Relations* area, *Financial Statements*).

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According to paragraph 2 of article 154-bis of the Consolidated Finance Law, the Executive appointed to draft corporate accounts, Mr. Giovanni Sartor, stated that the accounting information herein contained tallies with the company's documentary evidence, ledgers and accounts.

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*Thanks to a unique asset of data, evaluation models, innovative technological solutions and a team of experts and analysts, Cerved Group every day helps about 30,000 companies, public administrations and financial institutions to manage the opportunities and risks of their business relationships. Cerved Group supports customers in the planning and implementation of commercial and marketing strategies. It is one of the most important independent operators in the evaluation and management of loans - both performing and problematic - and of connected assets, supporting customers in each phase of credit life. Finally, Cerved owns, within the group, one of the most important Rating Agencies in Europe.*

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**CONSOLIDATED INCOME STATEMENT**

€m	As of 30 June 2018	As of 30 June 2017 <i>Restated</i>
Revenues	222.822	198.515
Other income	143	63
<b>Total Revenues and Other Income</b>	<b>222.965</b>	<b>198.578</b>
Cost of raw material and other materials	2.442	4.186
Cost of Services	57.836	47.092
Personnel costs	53.634	48.324
Other operating costs	4.857	4.312
Impairment of receivables and other provisions	1.792	3.181
<b>Total Operative costs</b>	<b>120.561</b>	<b>107.095</b>
<b>Adjusted EBITDA</b>	<b>102.404</b>	<b>91.483</b>
Performance Share Plan	3.203	677
<b>EBITDA</b>	<b>99.201</b>	<b>90.806</b>
Depreciation and amortization	33.382	34.602
<b>Operating profit before non recurring items</b>	<b>65.819</b>	<b>56.204</b>
Non recurring items	3.882	3.893
<b>Operating profit</b>	<b>61.937</b>	<b>52.311</b>
Financial income	619	520
Financial charges	(9.662)	(16.262)
Non recurring financial income (charges)	(550)	-
Taxes	(15.567)	(13.128)
<b>Net Income</b>	<b>36.777</b>	<b>23.441</b>

## CONSOLIDATED BALANCE SHEET

	As of June 31 2018	As of December 31 2017 Restated
Intangible assets	382.8	395.9
Goodwill	802.9	750.4
Tangible assets	20.8	20.6
Financial assets	10.7	10.5
<b>Fixed Assets</b>	<b>1,217.1</b>	<b>1,177.4</b>
Inventories	0.3	2.0
Trade receivables	158.0	160.0
Trade payables	(49.8)	(46.0)
Deferred revenues	(70.8)	(85.5)
<b>Net working capital</b>	<b>37.8</b>	<b>30.5</b>
Other receivables	8.1	7.3
Other payables	(54.3)	(85.9)
Net corporate income tax items	(30.1)	(7.3)
Employees Leaving Indemnity	(12.9)	(13.3)
Provisions	(5.3)	(6.0)
Deferred taxes	(83.0)	(85.1)
<b>Net Invested Capital</b>	<b>1,077.3</b>	<b>1,017.6</b>
IFRS Net Debt	544.3	474.2
Group Equity	533.0	543.3
<b>Total sources</b>	<b>1,077.3</b>	<b>1,017.6</b>

**CONSOLIDATED NET FINANCIAL POSITION**

<b>€/000</b>	<b>As of 30 June 2018</b>	<b>As of 31 December 2017 Restated</b>	<b>As of 30 June 2017 Restated</b>
A. Cash	51	28	22
B. Cash equivalent	57.673	99.179	43.022
C. Trading securities	-	-	-
<b>D. Liquidity ( A )+( B )+( C )</b>	<b>57.724</b>	<b>99.207</b>	<b>43.044</b>
E. Current Financial Receivables	-	-	-
F. Current Bank debt	(120)	(197)	(174)
G. Current portion of non-current debt	1.310	1.755	(11.148)
H. Other current financial liabilities	(30.005)	(3.258)	(2.434)
<b>I. Current Financial Debt ( F )+( G )+( H )</b>	<b>(28.815)</b>	<b>(1.700)</b>	<b>(13.756)</b>
<b>J. Net Current Financial Indebtedness ( D ) + ( E ) + ( I )</b>	<b>28.909</b>	<b>97.507</b>	<b>29.288</b>
K. Non-current Bank loans	(571.641)	(571.075)	(551.992)
L. Bond Issued	-	-	-
M. Other non current loans	(1.593)	(675)	(99)
<b>N. Non-current Financial Indebtedness ( K ) + ( L ) + ( M )</b>	<b>(573.234)</b>	<b>(571.75)</b>	<b>(552.091)</b>
<b>O. Net Financial Indebtedness ( J )+( N )</b>	<b>(544.325)</b>	<b>(474.243)</b>	<b>(522.803)</b>



**CONSOLIDATED CASH FLOW STATEMENT**

<i>€m</i>	As of March 31 2018	As of March 31 2017 (restated)
<b>EBITDA Adjusted</b>	<b>102.4</b>	<b>91.5</b>
Net Capex	(20.4)	(20.1)
<b>EBITDA Adjusted-Capex</b>	<b>82.0</b>	<b>71.3</b>
<i>as % of EBITDA</i>	80%	78%
Cash change in Net Working Capital	(11.9)	(2.0)
Change in other assets / liabilities	6.3	5.1
<b>Operating Cash Flow</b>	<b>76.4</b>	<b>74.5</b>
Interests paid	(6.6)	(8.7)
Cash taxes	-	(9.6)
Non recurring items	(2.6)	(7.2)
<b>Cash Flow (before debt and equity movements)</b>	<b>67.2</b>	<b>49.1</b>
Dividends	(52.2)	(47.7)
Acquisitions / deferred payments / earnout	(82.0)	(1.8)
Other	-	-
Refinancing	(1.0)	-
<b>Net Cash Flow of the Period</b>	<b>(68.1)</b>	<b>(0.4)</b>